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**COUNTRY REPORT**

**Senegal**  
**The Gambia**  
**Mauritania**

**1st quarter 1996**

The Economist Intelligence Unit  
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## The Economist Intelligence Unit

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

# Summary

## Senegal, The Gambia, Mauritania 1st quarter 1996

*February 26, 1996*

- |            |  |
|------------|--|
| Senegal    | <p>Political and economic structures <span style="float: right;"><b>Pages 3-4</b></span></p> <p>Outlook: Prospects for peace in Casamance will be decided at negotiations between the government and the separatist MFDC, due later in 1996. A fragile ceasefire should hold until talks begin, although much will depend on whether the MFDC rank-and-file are ready to put down their guns. Real GDP growth will average more than 4% in 1996 and 1997, and inflation will return to its low pre-devaluation levels, but further structural reforms are needed.</p> <p style="text-align: right;"><b>Pages 5-6</b></p> <p>Review: Talks about talks on the Casamance conflict have begun between the government and the MFDC. Another ceasefire has been called and the MFDC leader, Augustin Diamacoune Senghor, has been freed from house arrest. The government has banned an opposition march, but has announced plans for decentralisation. The IMF has released a further tranche of ESAF funding and approved of Senegal's economic performance, while insisting on further reforms. Inflation has maintained a downward trend. Fruit and vegetable exports have fallen. More delays have hit the Manantali hydroelectric project. The trade deficit has widened.</p> <p style="text-align: right;"><b>Pages 7-14</b></p> |
| The Gambia | <p>Political and economic structures <span style="float: right;"><b>Pages 15-16</b></span></p> <p>Outlook: The military leader, Captain Yahyah Jammeh, is preparing to fight elections scheduled for June. Some signs of economic recovery may help him to achieve genuine victory at the polls.</p> <p style="text-align: right;"><b>Pages 17-18</b></p> <p>Review: Opposition supporters have been freed on bail, but still face sedition charges. The government spokesman has fled the country, criticising the military regime. Sierra Leone's former vice-president has been detained briefly, and a Sierra Leonean journalist has been expelled. The ex-president, Sir Dawda Jawara, has accused the military leaders of embezzling funds, and has been charged <i>in absentia</i> with a similar offence. Captain Jammeh has outlined further plans for the coming elections. A new constitution has been drafted. A new justice minister has been named. The producer price for groundnuts has remained unchanged. External trade has remained thin, but there are signs that tourism may be picking up. Businesses have been hit with a new tax. Gambian television has started transmission.</p> <p style="text-align: right;"><b>Pages 18-23</b></p>   |
| Mauritania | <p>Political and economic structures <span style="float: right;"><b>Pages 24-25</b></span></p> <p>Outlook: Legislative elections will be held in October 1996, several months earlier than they were originally due. The opposition will not boycott the polls, but the ruling PRDS is likely to win an easy victory. The current austere economic strategy will remain unchanged.</p> <p style="text-align: right;"><b>Pages 26-27</b></p>  |

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Review: The PRDS has been preparing for an early general election. The opposition has said it will form a single coalition to contest the polls. A new prime minister has been named, leading to a cabinet reshuffle. An appeal court has quashed sentences passed on the Baathist "plotters". Ties with Iraq and Libya have been put under strain, while links strengthen with Kuwait and the West. Another trade union federation has been set up. AMU has remained hamstrung by disagreements. The former prime minister has announced real GDP growth of 4.9% in 1995 and presented a restrained budget for 1996. The ouguiya has in effect become fully convertible. The suspension on fishing has been lifted, and fishing pacts have been renewed or signed with the EU, Senegal and Poland. An Australian mining firm has started prospecting for gold. **Pages 27-34**

Statistical appendices

**Pages 35-40**

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## Political structure: Senegal

Official name: République du Sénégal

Form of state: unitary republic

Legal system: based on the Code Napoléon and the 1963 constitution

National legislature: Assemblée nationale, with 120 members elected by universal suffrage on a part first-past-the-post (50) and part proportional representation (70) system—all serve a five-year term

Last elections: February 1993 (presidential); May 1993 (legislative)

Next elections: May 1998 (legislative); February 2000 (presidential)

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

National government: the president and his Council of Ministers; last major reshuffle March 1995

Main political parties: Parti socialiste (PS) is the ruling party; Parti démocratique sénégalais (PDS—the main opposition party); Parti de l'indépendance et du travail (PIT); Ligue démocratique-Mouvement pour le parti du travail (LD-MPT); Parti pour la libération du peuple (PLP); And-jef/Parti africain pour la démocratie et le socialisme (AJ/PADS)

President	Abdou Diouf
Prime minister	Habib Thiam

### Ministers of state

agriculture	Robert Sagna
at the presidency	Abdoulaye Wade (PDS)
foreign affairs & Senegalese abroad	Moustapha Niasse
presidential affairs	Ousmane Tanor Dieng

### Key ministers

armed forces	Cheikh Hamidou Kane
commerce, crafts & industry	Idrissa Seck (PDS)
communications	Serigne Diop (PDS-R)
economy, finance & planning	Papa Ousmane Sakho
education	André Sonkho
energy, mines & industry	Magued Diouf
environment & protection of nature	Abdoulaye Bathily (LD-MPT)
fisheries & marine transport	Alassane Dialy Ndiaye
interior	Abdourahmane Sow
justice & keeper of seals	Jacques Baudin
labour & employment	Assane Diop
national education	André Sonkho
public health & social action	Ousmane Ngom (PDS)
tourism & air transport	Tidiane Sylla
urban planning & housing	Daour Cissé
water resources	Mamadou Faye

## Economic structure: Senegal

### Latest available figures

Economic indicators	1991	1992	1993	1994	1995 <sup>a</sup>
GDP at market prices CFAfr bn	1,507	1,550	1,518	2,050 <sup>a</sup>	2,350
Real GDP growth %	0.7	2.9	-2.0	2.0 <sup>b</sup>	4.0
Consumer price inflation %	-1.8	-0.1	-0.5	32.3	8.0
Population <sup>c</sup> m	7.6	7.8	8.0	8.2	8.4
Exports fob \$ m	824	832	723	630	680
Imports fob \$ m	1,114	1,200	1,105	1,151	1,200
Current account \$ m	-205	-268	-305	-179 <sup>b</sup>	-150
Reserves excl gold \$ m	13.2	12.4	3.4	179.6	290.0
Total external debt \$ m	3,554	3,634	3,768	3,700 <sup>a</sup>	4,100
External debt-service ratio %	21.1	14.5	9.0	15.0 <sup>a</sup>	25.0
Groundnut production <sup>d</sup> '000 tons	728	579	631	735 <sup>b</sup>	740.0
Exchange rate (av) CFAfr:\$	282.1	264.7	283.2	555.2	498.0

February 23, 1996 CFAfr498.6:\$1

Origins of gross domestic product 1994 <sup>b</sup>	% of total	Components of gross domestic product 1994 <sup>b</sup>	% of total
Primary sector	24.1	Private consumption	79.6
Secondary sector	21.8	Government consumption	13.6
Tertiary sector	54.0	Gross domestic investment	13.0
GDP at factor cost	100.0	Exports of goods & services	25.4
		Imports of goods & services	-31.6
		GDP at market prices	100.0

Principal exports 1992	\$ m	Principal imports cif 1992	\$ m
Fish & fish products	245	Intermediate goods	490
Chemicals (ICS plant)	111	Petroleum	129
Groundnut products	81	Capital goods	213
Phosphates	74		
Petroleum products	12		

Main destinations of exports 1994 <sup>e</sup>	% of total	Main origins of imports 1994 <sup>e</sup>	% of total
France	26.0	France	34.2
Italy	8.5	Cameroon	7.9
Mali	7.9	Nigeria	6.9
Cameroon	7.4	Italy	5.4

<sup>a</sup> EIU estimates. <sup>b</sup> Provisional. <sup>c</sup> Estimates based on 1988 census. <sup>d</sup> Unshelled; crop years (October-September) beginning in calendar years.

<sup>e</sup> Derived from partners' trade returns, subject to a wide margin of error.

# Senegal

## Outlook

**Peace in Casamance?** The future of the southern region of Casamance will be decided at negotiations due later in 1996. No firm date has yet been announced for the talks between the Parti socialiste (PS)-led government and the armed separatist group, the Mouvement des forces démocratiques de Casamance (MFDC), but it is likely that the wish expressed by the recently released MFDC leader, Augustin Diamacoune Senghor, that talks should begin in April will be respected. Certainly, the government has little reason to hesitate. The cost of its operations in Casamance is threatening the tight budgetary control to which it is committed as part of the Enhanced Structural Adjustment Facility (ESAF) agreement with the IMF. The sooner a lasting peace can be negotiated, the sooner the expensive exercise can be halted.

The chances of a successful and lasting peace agreement are difficult to gauge. Official negotiators from the Commission nationale pour la paix (CNP) will certainly be prepared to commit the government to a permanent end to hostilities, but the question remains as to whether the separatists can be appeased with whatever promises the CNP can make. Even if the individuals from the MFDC who are involved in the negotiations are persuaded to drop their calls for secession and to end the armed struggle, there is no guarantee that the movement's rank-and-file can be persuaded to do so. In fact there is evidence that the opposite will be true; ceasefire calls from Mr Senghor went virtually unheeded for the second half of 1995, an indication that his recently ended incarceration had done little for his ability to command his followers' respect. The fragile ceasefire is, on the whole, likely to hold at least until talks begin. Once this point is reached it will be the attitude taken by the government in the negotiations which will determine whether enough Casamançais feel sufficiently aggrieved to take up arms again. In particular, it will be worth watching anything the government puts on the table regarding land rights, a long-standing source of discontent in the southern region.

**Extensive structural change is still needed—** Recently released data indicate that Senegal's trade performance worsened in the first half of 1995. A specific example from the market garden sector has revealed the need for continued and extensive structural change if any benefit is to be reaped from the halving of the currency's value at the start of 1994. Widespread dependence on imported inputs means that local production costs have eroded some or all of the competitive advantage gained by devaluation. Under the watchful eye of the IMF, and assuming that the government maintains its recent donor-friendly approach, with plentiful supplies of aid and lending to ease the way, the government is likely to make the necessary

changes over the next few years. In particular, it will press ahead with the privatisation programme (bringing it inevitably into conflict with the country's powerful trade unions) and with the further liberalisation of trade controls in order to encourage economic diversification.

#### Forecast summary

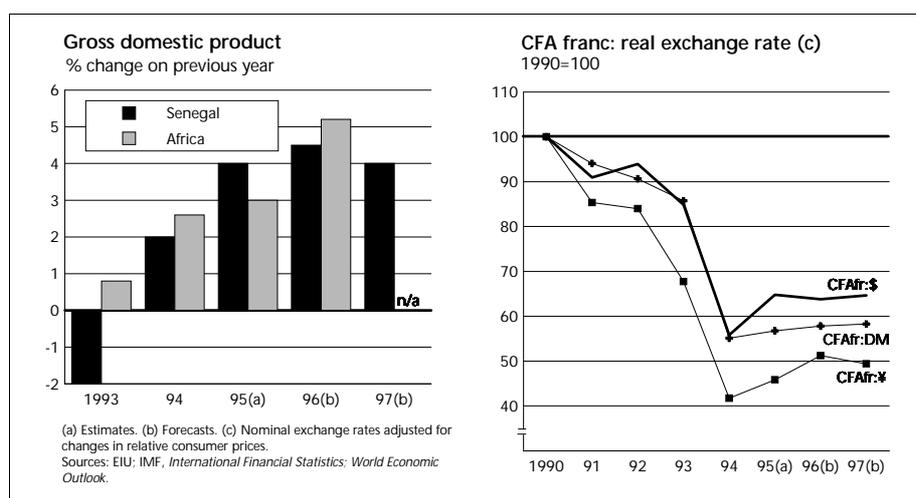
(\$ m unless otherwise indicated)

	1994 <sup>a</sup>	1995 <sup>b</sup>	1996 <sup>c</sup>	1997 <sup>c</sup>
Real GDP (% change)	2.0 <sup>d</sup>	4.0	4.5	4.0
Consumer price inflation (%)	32.3	8.0	3.0	3.0
Merchandise exports fob	630	680	780	850
Merchandise imports fob	1,151	1,200	1,180	1,190
Current-account balance	-179 <sup>d</sup>	-150	-120	-100
Average exchange rate (CFAfr:\$)	555	498	506	504

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

—against the background  
of a delicate economic  
situation

The overall performance of the economy in 1996 and 1997 should be viewed by government and donors alike as satisfactory. Real GDP growth will average over 4% per year and consumer price inflation is likely to return to its low pre-devaluation levels, averaging about 3% annually. All of this assumes that the government retains its current willingness to follow IMF policy advice and thereby ensures the inflow of substantial donor funds. Also on this premise, the current-account position will improve slowly but steadily, although the outlook for the country's external position is not as rosy as it was previously. This stems from the apparent problems caused in the trade account by imbalances exaggerated by the devaluation. Exports have not become super-competitive overnight, or even over the course of two years, and import dependence is as high as ever. Consequently it appears likely that exports will total no more than \$780m in 1996 and \$850m in 1997. Imports, likely to have grown to around \$1.2bn in 1995, will remain fairly steady at that level; as a result, the trade deficit will mean that the current-account deficit improves only gradually and is likely to be around \$100m in 1997.



## Review

### The political scene

A lull precedes more deaths in Casamance—

The pattern of violence seen earlier in 1995 in the southern region of Casamance, in which both sides regularly appeared to take time out of the fighting in order to regroup and re-arm, (4th quarter 1995, page 8), was replicated once more in November. At least 100 armed separatists from the Mouvement des forces démocratiques de Casamance (MFDC) were killed in clashes with government troops in the first week of that month, but this brief period of intense separatist activity and counterattacks by the army was followed by three weeks with no reported incidents. The lull came to an abrupt halt on November 24 when the army launched an attack on what was believed to be an MFDC base near the border with Guinea-Bissau. The assault, which involved a sizeable artillery attack, left 56 alleged armed separatists dead along with six soldiers.

—but an offer of talks from the MFDC—

Happily, on this occasion, the violent end to a lull in the fighting did not lead to a series of reciprocal attacks. Just four days after the destruction of the supposed MFDC base, the separatist organisation's secretary-general and representative in Europe, Mamadou Sane N'Krumah, issued a statement with a marked conciliatory tone. While he was at pains to say that the Senegalese president, Abdou Diouf, and the government, led by his Parti socialiste (PS), had failed to make any viable peace proposal to the MFDC in 13 years of the separatist struggle, he also made it clear that the MFDC was prepared to consider entering a new round of peace negotiations. The only condition he placed on talks was that the leader of the MFDC, Augustin Diamacoune Senghor, be released from house arrest in Ziguinchor (the Casamance capital) in order to represent his organisation at any new negotiations.

The MFDC clearly suffered substantial losses in the last four months of 1995, as a result of the government's military efforts. However, the offer of talks was probably equally motivated by a perception that the government is finding the cost of the conflict difficult to bear. Very strict policy conditions, particularly regarding public expenditure levels, are being applied by donors to vital flows of funds. The MFDC is likely to have been confident that the government would accede to the demand for Mr Senghor's release in its desperation to create the conditions for a reduction in military spending.

—and a ceasefire call from Mr Senghor—

On December 2, the 13th anniversary of the MFDC's campaign for Casamance autonomy, Mr Senghor issued a statement which was broadcast on national television from his home in Ziguinchor. He demanded the release of all MFDC members detained by the government, but otherwise he too was conciliatory. Most significantly, he reiterated the call he made last year (3rd quarter 1995, page 8) that all activists of the MFDC lay down their weapons and allow peace to return permanently to Casamance. The government acknowledged the statement and reaffirmed its determination to secure peace in the troubled southern region. An effort was also made to win some of the credit for Mr Senghor's determination to end the armed activities of the MFDC. Official statements

pointed out that this second unilateral ceasefire call came about because of the work of the Commission nationale pour la paix (CNP), which was established by the government last year and which is led by Assane Seck, a prominent PS member and former government minister (4th quarter 1995, page 9).

—clear the way for the release of the separatist leader

The government, ever conscious of the need to appear reasonable and fair, could not fail to go further and respond in some material way to the MFDC's expressed willingness to negotiate, followed as closely as it was by another ceasefire call from the organisation's nominal leader. The response came on December 11 when Mr Senghor and four other MFDC "officers", also under house arrest in Ziguinchor, were allowed out of confinement for the first time in eight months. The five were permitted to attend a religious ceremony in Ziguinchor's Catholic cathedral and, as part of the ceremony, to travel to the nearby village of Brin.

On December 30 the government went even further and announced that Mr Senghor and the other four MFDC members were now officially released from house arrest and free to come and go as they pleased. At the same time the release was announced of 21 MFDC members imprisoned in Dakar. According to an official statement this took to 50 the number of MFDC prisoners set free since the government's peace commission began its work at the end of September. A total of 150 alleged MFDC members were in prison in Dakar before the establishment of the CNP.

Talks about talks begin—

Having shown willing by the release of Mr Senghor, the government batted the ball firmly back into the MFDC's court. The organisation's leadership was left with little choice but to begin laying out its position for negotiations with the government. This it did at a well-attended meeting of the CNP in Ziguinchor on January 9. Mr Senghor presented a list of proposals for the conduct of negotiations to the 35 delegates who, as well as all the members of the peace commission, included representatives from the army and the police. The MFDC's conditions for the conduct of negotiations included:

- immunity for all MFDC members involved in the talks from any subsequent prosecution over their role in the separatist campaign;
- the holding of the talks on neutral territory; and
- a speedy response from the government on the proposed timing of the talks, a reference to Mr Senghor's earlier suggestion that negotiations begin by April 8 at the latest.

The avoidance of any reference to the MFDC's primary aim of complete autonomy for the Casamance region, or even to the longstanding grievances over land rights in the region, is significant. It suggests that the separatist movement, or at least that part of it involved in the current exchange with the government, is determined to see an agreement emerge from any negotiations, even if it means softening the movement's stance. What has not become clear is whether the individuals from within the MFDC involved in talks with the government accurately represent the will of the rank-and-file of the organisation. In particular, Mr Senghor was only ever the leader of the southern front

—and the ceasefire appears to hold

of the MFDC. The problem for previous ceasefire agreements has been securing the cooperation of both the southern and northern fronts of the MFDC.

The MFDC's southern front has traditionally been more radical than the northern front and quicker to resort to armed violence in pursuit of its aims. This implies that the more dangerous wing of the separatist movement is now fully involved in the peace process. However, it must be borne in mind that Mr Senghor has been cut off from the grassroots of his organisation for a long time and that his calls for unilateral disarmament went unheeded for most of the second half of last year.

Nonetheless, there was no resurgence of violence subsequent to Mr Senghor's call for peace at the start of December. January did see some minor incidents, but no casualties were reported and reference was made in official statements to isolated acts of banditry. An attempt was made to capitalise on the apparent success of the ceasefire in mid-January, when Mr Senghor, accompanied by several members of the peace commission, made a public appearance in Ziguinchor. Once more, he called on his followers to lay down their weapons and restated his belief that the way forward in Casamance was through peace and honest negotiations. Even more encouraging was a statement issued a few days earlier by the self-styled leader of the MFDC's military operations, Salih Sadio. In an interview with Radio France internationale, Mr Sadio confirmed the movement's intention to respect the ceasefire and agreed with Mr Senghor that the only way forward is through negotiations in the absence of violence.

Despite the comfort provided by the national unity coalition—

There has been no fundamental change in the unity government arrangements established in March (2nd quarter 1995, page 6). The Council of Ministers remains entirely dominated by the PS but includes six members from three minority political parties; the PDS, the PDS-R and the LD-MPT. Two ministers from the PIT were dismissed in September (4th quarter 1995, page 7) and have been replaced by PS members. The PIT, which still has two seats in the Assemblée nationale (parliament), was forced out of the ruling coalition because of the reluctance of the party's leadership to distance itself from a statement made by its political bureau to the effect that PS mismanagement of the economy was taking too high a toll on the country's population. This stance, and the PIT's positioning outside the ruling coalition, has meant that the party has become a genuine opposition force, much more free to criticise government policy. In this it joins AJ/PADS, which has even stronger credentials as a party firmly and consistently opposed to the PS-led government. Those parties co-opted into the coalition with the PS have, not unexpectedly, ended all criticism of government policy, a wise move for any party wishing to stay in the coalition, given the fate of the PIT ministers.

PDS: Parti démocratique sénégalaise (PDS)  
 PDS-R: Parti démocratique sénégalaise-Rénovation  
 LD-MPT: Ligue démocratique-Mouvement pour le parti du travail  
 PIT: Parti de l'indépendance et du travail (PIT)  
 AJ/PADS: And-jef/Parti africain pour la démocratie et le socialisme

—the government bans a march by a real opposition party—

In spite of its commanding position, the government betrayed signs of nervousness by banning an AJ/PADS march planned for January 11 to mark the second anniversary of the devaluation of the CFA franc, a move which hit living standards at the time and which was viewed by many as a betrayal of the Senegalese people by the PS government. The paranoia regarding any public demonstration of discontent obviously persists within the PS, having been so evident in early 1994 with the imprisonment of the leaders of the PDS and

AJ/PADS, Abdoulaye Wade and Landing Savané, and the banning of the Islamic youth organisation, Moustarchidina wal Moustarchidati (MwM). In response to the banning of the march, Mr Savané gave a news conference in which he reiterated his party's unwillingness to join a PS-led government. Instead he demanded that the government be dissolved and that a transitional administration be established after broad-based consultations with all political parties; and that this transitional government take the country to the next legislative elections, due in 1998. Mr Savané, who has consistently refused offers to take AJ/PADS into coalition with the PS, its traditional enemy, can claim to be the key opposition leader since Mr Wade was co-opted into the government last March as minister of state at the presidency.

—although it does seek to broaden democracy

In a praiseworthy attempt to deal with this feeling of insecurity the government has tried to decentralise some aspects of political authority. In his New Year message, Mr Diouf proposed that a second chamber of parliament be established, with members largely drawn from regional representatives. The president said that a detailed proposal would be made after a period of political consultation and that the main aim of the move would be to guarantee regional councils an influential position within the country's legislature. By late February there had been no further progress on this proposal, but there have been significant strides in strengthening the existing system of regional government. In early February the Assemblée nationale passed a law to enhance the powers of regional councils, the culmination of a longrunning project to give regional authorities a degree of local budgetary control. At the same time it was confirmed that elections to the regional councils would take place in November.

The government voices solidarity with the Nigerian generals

The aftermath of the execution by Nigeria's military rulers of author Ken Saro-Wiwa and eight other civilians prompted a hesitant and limited closing of ranks by West African governments. In particular, the governments of Senegal and Niger sent high level delegations to Lagos to express support for the Nigerian generals and outrage at the international community's condemnation of the executions. The Senegalese delegation, which arrived in Lagos at the end of November, was led by the foreign affairs minister, Moustapha Niasse.

## The economy

The IMF releases a second tranche of ESAF money—

On December 11 the IMF announced that it had approved the second annual loan of the three agreed under the Enhanced Structural Adjustment Facility (ESAF) which was signed by the Fund and the government at the end of August 1994 (3rd quarter 1994, page 14). This loan, the first half of which was made available immediately, with the second to be disbursed in June, was for SDR47.6m (\$71m), exactly equal to the first annual tranche of funding. The third loan under the ESAF will be disbursed in two halves over the eight months to the end of August 1997 and it will be for the smaller amount of SDR35.7m, taking total funding under the current ESAF to SDR130.8m. Interest payments on the loan made in August 1994 will not begin until the grace period ends in 2000, and those on this latest loan will begin 18 months later. Even when the full amount of the ESAF is being serviced the concessional

—and the Fund is positive about economic performance—

interest rate applied to ESAF funding (an annual 0.5%) will mean that interest payments amount to less than \$10m per year.

Far more significant than the actual funds from the IMF is the fact that they have been agreed. The expression of approval of the government's economic policies which accompanied the announcement of the latest loan will be a powerful signal to other donors and creditors and will secure the inflow of much greater sums of financial support for Senegal. The IMF stated that the macroeconomic targets set under the first year of the ESAF were largely met, and it expressed confidence that the government would achieve the targets set out as part of the latest loan agreement.

The economic targets focus on the usual areas of real GDP growth, consumer price inflation and the current-account balance. For 1996 the government has agreed: to aim to keep real GDP growth at around its 1995 level (according to IMF estimates) of 4.5%; to restrict average consumer price inflation to 3% (from an average of 8% in 1995); and to keep the current-account deficit (excluding public transfers) to the equivalent of just over 7% of GDP (from 8% in 1995, according to IMF estimates). This last objective implies a target current-account deficit of \$365m (excluding official transfers) in 1996. The EIU estimates that this was exactly the level of the current-account deficit (excluding transfers) in 1995. As part of the commitment to containing consumer price inflation, the loan agreement also sets a target reduction in the government's budget deficit to the equivalent of 2% of GDP in 1996, from the IMF's estimate of 3.3% for 1995. All of these targets are certainly achievable within the framework of the government's current economic policy. Our macroeconomic forecasts predict a broadly similar path to that foreseen by the IMF (see Outlook). Both sets of forecasts are made on the assumption that the government continues to stick as doggedly to the policy advice of the IMF as it has since the signing of the ESAF.

Implied nominal targets agreed under the ESAF

	1996	1997
IMF targets (% of GDP)		
Current-account deficit (excl official transfers)	-7.3	-6.6
Budget deficit (excl grants)	-2.0	-0.7
Nominal GDP <sup>a</sup>		
\$m	5,001	5,384
CFAfr bn	2,532	2,712
Implied nominal levels		
Current-account deficit (\$ m, excl official transfers)	365	355
Budget deficit (CFAfr bn, excl grants)	51	19

<sup>a</sup> EIU forecasts.

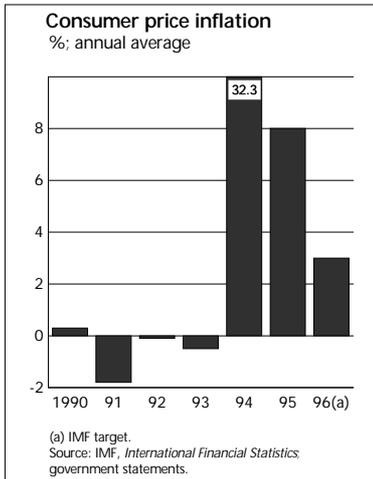
Source: IMF.

—while insisting on continued liberalisation and privatisation

Although not binding on the government with regard to the loan to be disbursed over the course of 1996, targets for 1997 and 1998 were also stated in the ESAF announcement. These broadly foresee a continuation of the trends expected for 1996. Additional conditions on the loan, which must be met by the government, include broad structural changes. These are listed by the IMF

as: continued price and trade liberalisation; reinforcement of ongoing agricultural reforms; and the acceleration of public enterprise reform.

Inflation remains on a downwards trend—



In his New Year address the president, Abdou Diouf, confirmed that the government had been successful in taming consumer price inflation in 1995. High inflation had been the greatest fear among policy-makers after the devaluation of 1994, but the Senegalese authorities have been very successful in containing price rises by a combination of temporary price controls and limited subsidies. Most controls have now been dropped (in order to comply with IMF policy advice) although a legal maximum remains in place on the retail price of imported rice, the Senegalese staple. Mr Diouf stated that average consumer price inflation was around 8% in 1995, down from 32% in 1994. This latter figure agrees exactly with data from the regional central bank, the Banque centrale des états de l'Afrique de l'ouest (BCEAO), and the president's figure for average inflation in 1995 agrees with our previous estimate (which we retain) for the year, based on partial actual data.

As well as temporary price controls, wage restraint has helped limit inflationary pressure in the aftermath of the 1994 devaluation. Public-sector wages have been carefully and directly controlled. Negotiations between private-sector employers and trade unions have generally resulted in limited pay deals; this pattern was repeated on January 11 when it was announced that the latest set of negotiations between private-sector workers and employers had agreed pay rises of between 3% and 5% for 1996. A statement after the talks said the deal would help restore workers' purchasing power.

—although it is not always easy to be sure

Some confusion was added to the inflation story three weeks after the president's speech, when, reporting on a press release from the finance ministry's statistical department, an article by Reuters news agency mistakenly corrected the president's figures. The article quoted "year-on-year" inflation in 1995 as 6% and in 1994 as 36.1%. While it is not clear exactly what indicator was being referred to, and while it is not impossible that the finance ministry had altered the estimated 1995 index numbers in the intervening three weeks, the wording of the Reuters article implies that the figures quoted were not for average consumer price inflation over 1995 but for some specific period in 1995 compared with the equivalent period in 1994. The distinction is an important one, particularly if the figures were actually end-period rates, comparing prices at a particular point in time with those 12 months earlier. Once prices have fully settled down, Senegal is again likely to experience years when average consumer prices actually fall by a small amount between years (average consumer prices fell every year from 1991-93). In such years, however, seasonal effects will inevitably mean that there are some months in which prices are higher than they were 12 months previously. Inaccurate reporting could easily give the impression that consumer prices were on a rising trend when the opposite is true. Accurate reporting is, however, not always possible when official sources issue contradictory information. A finance ministry statement on January 12 agreed with the president's figure for average consumer price inflation in 1995 (8%) but quoted average consumer price inflation in 1994 as having been 40%.

## Agriculture

Exports of fruit and vegetables fall

Evidence is incomplete on whether the devaluation of the CFA franc in 1994 had the desired effect of making exports from the Franc Zone more competitive. At the end of January the government released figures on exports of fruit and vegetables which could be interpreted as confirming the views of those who were sceptical about the potential benefits of devaluation. Compared with a 1994/95 (October-September) target of 6,000 tons of fruit and vegetables exported, only 4,356 tons were actually sold. An official statement blamed the rise in the cost of inputs as a result of the devaluation for forcing up the price of Senegalese exports. This is precisely the opposite effect to that which was hoped for with the devaluation, and reveals the importance of other changes which need to accompany the reduction in the value of the currency. As long as Senegalese producers (in any sector) continue to depend upon imported inputs the scope for competing on price with producers elsewhere in the world remains limited, no matter how realistic the peg chosen for the fixed exchange rate.

## Energy and water

Further delays hit the Manantali hydroelectric project

A ministerial meeting of the Organisation pour la mise en valeur du fleuve Sénégal (OMVS), convened in Nouakchott (Mauritania) in mid-November, reluctantly accepted yet another postponement of the scheme to supply all three member countries (Senegal, Mali and Mauritania) with hydroelectric power from the Manantali dam on the Senegal river. In 1992 it had been decided that the power lines from the dam would be carrying electricity by 1996—initially to Mali, which has the greatest need for new sources of electricity. Talks with donors to the project led to a postponement until 1998 for the switching on of the generators, but the November meeting saw this deadline put back once more to 2000. The main problem appears to be obtaining the necessary funding to complete the facility, now that an earlier disagreement over the exact route to be followed by power lines from the generators has been resolved. Indeed, on January 20 another OMVS meeting in Nouakchott resolved to go back to donors to ask for more funding in order to ensure that the project is completed by the new deadline. The dam at Manantali is fully built and all that is required is the completion of the power station and the lines running from it. When finished, the power station will comprise five 40-mw turbines, with 40% of the power generated going to Mali and the rest split between Senegal and Mauritania.

Another ongoing OMVS project is the construction of the Diama dam in Senegal. This will desalinate water from the Senegal river and allow it to be used to irrigate 400,000 ha of agricultural land, as well as permitting year-round navigation of the river.

## Foreign trade and payments

The trade deficit widens

Data published by the IMF indicate a worsening of Senegal's trade performance in the first seven months of 1995. Exports fell slightly to CFAfr178bn (\$353m) from just over CFAfr180bn in the same period of 1994. Imports rose

substantially, increasing from CFAfr310bn in January-July 1994 to CFAfr373bn in the first seven months of 1995. The weakness of the dollar had a beneficial effect on the level of exports, ensuring an increase of over 29% in dollar export earnings compared with the same period of 1994. However, the same effect applied to spending on imports. In dollar terms these rose by nearly 38% and the result was a 72% increase in the trade deficit to over \$387m.

#### International trade

	1994	Jan-Jul	
		1994	1995
CFAfr bn			
Merchandise exports	349.9	180.3	177.8
Merchandise imports	-639.1	-310.4	-373.1
Trade balance	-289.2	-130.1	-195.3
\$ m <sup>a</sup>			
Merchandise exports	630.0	312.2	352.6
Merchandise imports	-1,151.1	-537.5	-739.8
Trade balance	-521.1	-225.3	-387.2

<sup>a</sup> Calculated using the average exchange rate in each period.

Source: IMF, *International Financial Statistics*.

## Aid news

Recent aid agreements have included the following.

- Two grants from Japan totalling CFAfr1.25bn (\$2.6m). The larger grant (CFAfr1bn) is for rice purchases from Thailand, while the second is for the purchase of equipment by the national sports institute in Dakar.
- A grant from the UN Population Fund (UNFPA) for CFAfr1.18bn for health and education projects.
- A loan of CFAfr35bn from the Caisse française de développement (CFD, the French state development bank) to help fund a variety of water-supply projects being carried out by the Société nationale des eaux du Sénégal (SONES). The World Bank is one of several other multilateral and bilateral agencies currently providing funding for SONES.



## Economic structure: The Gambia

### Latest available figures

Economic indicators	1991	1992	1993	1994	1995 <sup>a</sup>
GDP at market prices <sup>b</sup> D m	2,948	3,230	3,420 <sup>c</sup>	3,574 <sup>a</sup>	3,753
Real GDP growth <sup>b</sup> %	5.4	1.4	1.4	6.2 <sup>c</sup>	0.0
Consumer price inflation %	8.6	9.5	6.5	1.7	5.0
Population <sup>d</sup> '000	947	986	1,026	1,068 <sup>a</sup>	1,100
Exports fob <sup>be</sup> \$ m	37.9	57.4	66.2	35.3	16.6
Imports cif <sup>b</sup> \$ m	199.9	218.8	259.8	209.1	125.8
Current account <sup>b</sup> \$ m	13.2	37.2	-5.3	8.2	n/a
Reserves excl gold \$ m	67.6	94.0	102.2 <sup>f</sup>	98.0	113.2 <sup>g</sup>
Total external debt \$ m	367	386	386	n/a	n/a
External debt-service ratio %	13.5	12.5	13.5 <sup>a</sup>	n/a	n/a
Groundnut production <sup>h</sup> '000 tons	84.0	55.0	65.0	70.0	190.0 <sup>i</sup>
Charter tourists <sup>b</sup> '000	65.8	63.9	100.0	30.0 <sup>a</sup>	60.0
Exchange rate (av) D:\$	8.80	8.89	9.13	9.58	9.58

February 23, 1996 D9.85:\$1

Origins of gross domestic product 1993 <sup>a</sup>	% of total	Components of gross domestic product 1993 <sup>a</sup>	% of total
Agriculture	23	Private consumption	74
Industry	14	Government consumption	18
Services	63	Gross domestic investment	20
GDP at factor cost	100	Exports of goods & services	53
		Imports of goods & services	-65
		GDP at market prices	100

Principal exports 1991 <sup>a</sup>	\$ m	Principal imports 1992 <sup>a</sup>	\$ m
Fish & fish preparations	3.2	Food	63.6
Groundnut oil	1.5	Machinery & transport equipment	51.9
Groundnut meal	1.4	Manufactures	43.4
Groundnuts (shelled)	1.0	Minerals & fuel	12.2

Main destinations of exports 1993 <sup>j</sup>	% of total	Main origins of imports 1993 <sup>j</sup>	% of total
Belgium-Luxembourg	51	China	20
Japan	22	Hong Kong	11
Guinea	6	UK	10
USA	6	France	8

<sup>a</sup> EIU estimates. <sup>b</sup> Fiscal years starting July 1. <sup>c</sup> Official estimate. <sup>d</sup> Based on 1993 census. <sup>e</sup> Excluding re-exports. <sup>f</sup> End-September. <sup>g</sup> End-August. <sup>h</sup> Crop years starting in calendar years. <sup>i</sup> Actual. <sup>j</sup> Derived from partners' trade returns, subject to a wide margin of error.

# The Gambia

## Outlook

Captain Jammeh prepares  
to fight an election—

The main question in Gambian politics is whether the military leader, Captain Yahyah Jammeh, is to be trusted when he insists that democratic elections will be held in June, and that his Armed Forces Provisional Ruling Council (AFPRC) will hand over to civilians in July after only two years in power. Present indications are that it will do so, and that Captain Jammeh is preparing to fight, and win, the election himself. In this he hopes to emulate Ghana's military ruler turned elected head of state, Jerry Rawlings. Captain Jammeh has had time to look over the proposed new constitution, which, if all goes according to the AFPRC's stated plan, will be adopted ahead of presidential, legislative and local elections. Under the plan, political parties should be allowed to function again from March, giving them three months in which to get organised and to contest the election, which will be scrutinised for democratic credentials by a Commonwealth mission.

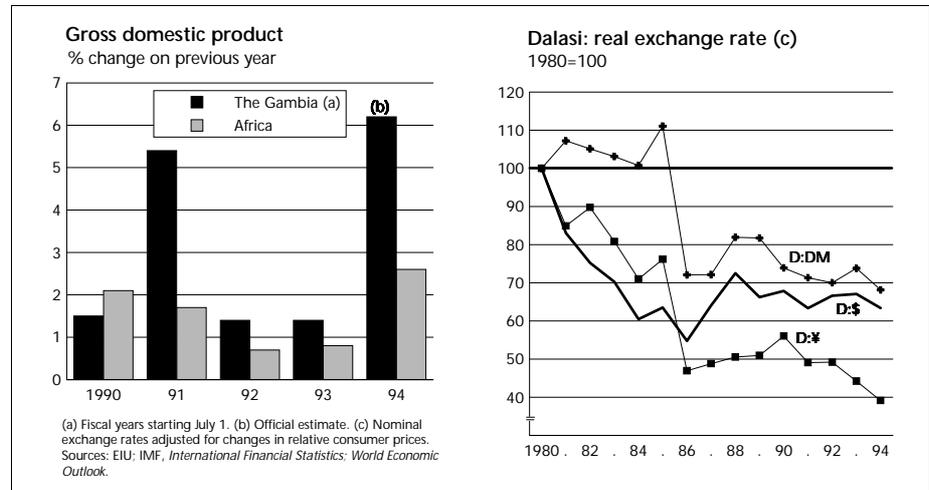
—leading his own  
political party—

The captain's July 22 Movement, the political machine he has created to perpetuate the AFPRC's aims, is already functioning freely, with only the old political parties remaining banned for the present. The movement is attempting to popularise the soldiers' aims, trumpeting allegations of corruption against the regime of the former president, Sir Dawda Jawara, and urging Gambians to join the war against drugs and decadence. Captain Jammeh's regime, and many of its aims, do not appear to be unpopular, and there is good reason to suppose that he can win the election by continuing to discredit an already fragmented opposition while stepping up AFPRC propaganda.

—now that the economy  
seems to be stabilising

There are some early signs that the economy may smile sufficiently on Captain Jammeh's regime in the run-up to the elections to enable him to persuade people that the AFPRC has actually brought about a recovery. Tourists are trickling back to The Gambia's beaches now that west European foreign ministries have declared them safe again, and the hotels and airlines, cornerstones of an industry which produces up to one-third of GDP, are recovering their old confidence. There has been a bumper crop of groundnuts, the country's only other significant source of foreign exchange, not counting re-exports, and another large harvest is expected in the present season, probably boosted by quantities of nuts from over the border from Senegal, where prices for farmers are lower than in The Gambia. If Captain Jammeh is able to convince Western aid partners of his democratic *bona fides* by going ahead with fair elections, there is every reason to suppose that foreign aid flows will return to pre-coup levels in the coming months. A combination of these factors could produce an electoral victory to give Captain Jammeh the legitimacy he desires. Real GDP

growth, likely to have been at a virtual standstill in 1995 as a result of aid shortfalls and the continued negative consequences of the CFA franc devaluation in Senegal in January 1994, may be expected to return to positive figures this year provided that political conditions restabilise after July; on the same basis, further modest growth can be expected in 1997.



## Review

### The political scene

Opposition supporters are  
freed on bail—

The ruling Armed Forces Provisional Ruling Council (AFPRC) has continued to take a hard line against many members and officials of the former regime of Sir Dawda Jawara, which it overthrew in July 1994. On January 12, some 25 supporters of Sir Dawda's banned People's Progressive Party (PPP) were freed on bail after three months in detention on charges relating to disturbances in Banjul in October (4th quarter 1995, page 22); they were among at least 34 people rounded up in early October, plus a further six who were arrested shortly afterwards and held incommunicado. Amnesty International, the London-based human rights organisation, had expressed concern about the safety of the 40. It said the six held incommunicado included: the former agriculture minister, Omar Amadou Jallow; the former external affairs minister, Omar Sey; a former minister of local government and lands, Yaya Ceesay; and Sir Dawda's brother-in-law and member of parliament, Hussainu Njie. Another of the six, the vice-president of the Gambian Lawyers' Association, Oussainu Darbo, was reported on November 7 to have been freed without charges being brought. He had been acting for ministers of the Jawara government facing investigation by the AFPRC's commission of inquiry into corruption.

—but face trial on  
sedition charges

According to Gambian state radio, the 34 people initially arrested in October had been attempting to organise street demonstrations with the aim of whipping up demands for the return of Sir Dawda and his government. (It was not clear if the other six were also held in connection with this charge.) Police

issued a public warning against any such demonstration without authorisation by the security services. It was reported on December 12 that a total of 35 PPP supporters were to be put on trial for sedition in connection with these events. The arrests were seen as evidence of the AFPRC's nervousness about the public mood, and about the reported presence of Sir Dawda in neighbouring Senegal. (Since his overthrow the former president has lived mainly at his house in the UK.)

The government  
spokesman stages an  
embarrassing defection—

The official spokesman of the AFPRC, Captain Ebou Jallow, fled the country on October 11; the office of the head of state immediately issued a statement accusing him of embezzling \$3m of public money from the Central Bank of The Gambia. The statement also accused Captain Jallow of being in league with Sir Dawda, who was believed to be in Dakar at the time of his defection, and of being a party to the plan for a demonstration to demand his return.

—turning his back on the  
military government—

Six days later Captain Jallow appeared in the USA, where he was quoted as saying he would return to The Gambia to “re-establish justice and liberty” and to “normalise the situation by all means necessary”, with the minimum of bloodshed. Captain Jallow rejected the AFPRC leader's accusation that he was conspiring with the overthrown former president, saying he did not know Sir Dawda and had never met him. He said that if he had wanted to steal money from the government, it would have been easy for him to have helped himself to \$5m which he had been responsible for handing over to the AFPRC on behalf of the Taiwanese government. (The Gambia established diplomatic ties with Taipei in July 1995, and apparently received \$5m as a “golden hello” inducement to break its ties with Beijing, a longstanding ally; 3rd quarter 1995, page 20.)

—and is followed into  
exile by the army's deputy  
chief

Following in Captain Jallow's footsteps, the deputy commander-in-chief of the army, Major Dennis Coker, defected while on a training course in Malaysia in early December and fled to the USA. The commander of the Gambian unit serving with the West African peacekeeping force in Liberia, Major Pa Sanneh, defected earlier in 1995.

Sierra Leone's former  
vice-president is briefly  
detained—

Sierra Leone's former vice-president, Abdulai Conteh, who had practised as a lawyer in Banjul since November 1993, was arrested in mid-October and held without charge. He was freed a week later and left the country immediately, but it was not clear whether he had been expelled, nor where he was going. Mr Conteh, who holds a Guinean diplomatic passport, had been linked to allegations that officials of the Jawara regime had defrauded the Treasury of almost \$40m in Nigerian oil aid (see below).

—and a dissident Sierra  
Leonean journalist is sent  
back

A few days earlier the authorities had expelled a Sierra Leonean journalist, Cherno Ojukwu Sisay, who had been working on the Gambian newspaper, *Daily Observer*, since his arrival in Banjul as a refugee from the military regime in his own country. Mr Sisay, formerly editor of a Freetown newspaper, had apparently been accused by the Sierra Leonean authorities of collusion with the rebel Revolutionary United Front (RUF). He was reported to have been sent back after spending some days in detention in Banjul.

- Captain Jammeh sounds off— The head of state, Captain Yahyah Jammeh, launched a vitriolic attack on journalists in a speech at the end of October, calling them traitors and “enemies of Africa and of Gambia”. Journalists posed as fighters for freedom or as human rights activists in order to publish lies, the AFPRC chairman declared. Referring in the same speech to international pressure for democratic elections, Captain Jammeh boasted that if he wanted, he could postpone elections for a thousand years.
- amid further signs of official nervousness— Captain Jammeh’s more than usually defiant speech seemed to be prompted by continuing nervousness. In early November the AFPRC announced that the interior minister’s powers were being extended to enable him to order the arrest and detention for up to three months of anyone suspected of being a threat to state security. In mid-January 1996 the government announced that the period of detention was being extended to six months, enabling the authorities to continue to detain the PPP supporters held since October.
- drawing criticism from Sir Dawda— Returning to London after his Dakar trip, Sir Dawda issued a statement condemning “arrogant abuse of power” by the AFPRC. He particularly criticised the expulsion from The Gambia in early November of Tanya Domi, a representative of the US-based National Democratic Institute (NDI), saying it indicated that the military government had no intention of holding free and fair elections by July 1996. The NDI said it would close its office in Banjul on January 22, expressing concern at the slow pace of progress towards elections and accusing the authorities of holding back on their promises.
- who accuses the soldiers of embezzlement— In London on November 19 Sir Dawda alleged that Captain Jammeh and his associates had siphoned off millions of dollars of a loan from Taiwan following the opening of diplomatic relations between the two countries (see above), and had deposited the cash in their personal Swiss bank accounts. Sir Dawda said he had received copies of documents from Banjul detailing terms of the \$35m loan in question, which was in two tranches: one of \$5m for the AFPRC, and the rest for the government. He said that he had evidence that \$3m from the first tranche had gone into Captain Jammeh’s private account in Geneva.
- and is charged in return with a similar offence On January 16 a similar accusation was thrown back at Sir Dawda when a Banjul court charged both the former president and a Lebanese businessman, Jamil Said Mohammed, *in absentia* for allegedly embezzling \$11m from the state. Summonses were faxed to the two men in London and Panama respectively, ordering them to appear in court on January 29. The case for the prosecution is reported to involve the alleged resale to a third party of some 17m barrels of crude oil supplied by the Nigerian government in the form of aid, with an estimated value of \$42m (2nd quarter 1995, page 21; 4th quarter 1995, page 22). Mr Said Mohammed’s Cevil Trading Company is alleged to have had the government’s contract to undertake the resale of the oil, which in the end returned only \$2.6m to the Treasury.
- The AFPRC insists it will hand over to civilians— It fell to the chargé d’affaires at the Gambian high commission in Nigeria, Alkali Kinteg, to restate the AFPRC’s commitment to hand over to a democratically elected government in 1996. Captain Jammeh’s administration would leave

office on July 22, 1996, Mr Kinteg told a press conference on November 10, adding that the AFPRC government had come to power in order to stem corruption. He appealed to the international community and to West African governments for understanding and support. At the same time, Mr Kinteg said that an attempt to derail the transition to civilian rule, led by one Captain Abu Diallo, had been foiled; he did not expand on the allegation.

—and Captain Jammeh spells out the details—

In his New Year's speech to the nation, Captain Jammeh himself reiterated the AFPRC's intention to hand over to an elected government in July 1996. He said that the planned June presidential and legislative elections would be preceded in May by local government elections, in which the Commonwealth would assist with the conduct of voting. The commitment to elections was reiterated by the foreign affairs minister, Baboucar Blaise Jagne, when he visited Dakar on January 5 for a meeting with the Senegalese president, Abdou Diouf. Mr Jagne later brushed aside suggestions that the government had been troubled by Sir Dawda's recent stay in the Senegalese capital, and denied reports of mass arrests in Banjul. A Commonwealth mission went to Banjul on January 10 for discussions with AFPRC officials on ways of facilitating the transition to democracy. The same mission was to visit Sierra Leone.

—calling for international help with the poll

Also on January 10 Captain Jammeh met the UN secretary-general's special representative, Berhanu Dimka, and asked the UN and The Gambia's development partners to finance the remaining phase of preparations for the June elections. The official Gambian report on the meeting with Mr Berhanu did not mention an amount, but emphasised that all development projects and the electoral process currently under way had been paid for from the country's own resources. According to the report, Captain Jammeh told the UN envoy that restrictions on political parties were to be lifted during March. Only one political party is currently allowed to function in The Gambia; Captain Jammeh's own creation, the July 22 Movement. The official report affirmed that the government intended to abide by its calendar for a handover to civilian rule.

A new constitution has been drafted

The constitutional commission established in April 1995 under a Ghanaian judge, Gilbert Mensah Quaye (2nd quarter 1995, page 20), presented its draft to Captain Jammeh on November 20. The 11-member commission includes lawyers from the UK, the USA and Malawi. Captain Jammeh has ordered a new constitution on the basis that the previous constitution of 1970 was promulgated without the people being consulted. Judge Quaye was quoted as saying that his commission had been given absolute independence by the AFPRC.

Captain Sabally goes to jail

Captain Sana Sabally, the former vice-chairman of the AFPRC and once Captain Jammeh's right-hand man, was sentenced to nine years in prison by a court martial in Banjul for leading a plot to assassinate the head of state (4th quarter 1995, page 22). An official announcement on December 28 said Captain Sabally conspired with the former interior minister, Captain Sadibou Haidara, who later died in mysterious circumstances at an army camp near Banjul (3rd quarter 1995, page 19). The previous day Captain Jammeh pardoned three army officers and a police inspector who had been held since the military takeover of July 22, 1994. All were set free. Six of the 12 military and

police officers arrested at the same time were reported to be still in prison as of December 30, including Ba Salla Jagne, the former police chief.

A new justice minister is named  
 Captain Jammeh named a close associate, Musa Bittaye, as the new justice minister in mid-January, replacing Mustapha Marong. Mr Marong, who had held the justice portfolio since March 1995, was moved without explanation to the post of director of maritime services and navigation at the ports authority. Mr Bittaye, a lawyer, is vice-chairman of Captain Jammeh's 22nd July Movement party.

The Senegalese president visits—  
 On January 20 the Senegalese president, Abdou Diouf, made his first visit to Banjul since the AFPRC seized power, signing three cooperation agreements with Captain Jammeh. These were understood to cover transport, tourism, and trade, including specific measures to tighten border controls on goods in transit. Crossborder smuggling has long been a thorny issue between the two countries, and a particular annoyance to the Senegalese. It was agreed that a joint commission on cooperation, moribund since the July 1994 coup, would convene in Dakar after Ramadan (which this year ends in late February). At a joint press conference after their talks, Mr Diouf said that relations between the two countries were improving slowly but surely, and welcomed the process of democratisation in The Gambia. Captain Jammeh emphasised good relations with Senegal, and reaffirmed the AFPRC's determination to hold elections in June which would enable the country to return to normal constitutional life.

—as does the Nigerian foreign minister  
 Nigeria's foreign affairs minister, Tom Ikimi, arrived in Banjul on January 15 with a message for Captain Jammeh from the Nigerian military ruler, General Sani Abacha. Banjul radio said bilateral relations were discussed; it recalled that The Gambia had stood by Nigeria at the Commonwealth Heads of Government Meeting in New Zealand in November 1995, when the Abuja government was internationally isolated and condemned following the hanging of nine minority rights activists, including author Ken Saro-Wiwa.

## The economy

The groundnut price is still unchanged  
 The agriculture ministry left unchanged the producer price of D2,100/ton (\$219) when the 1995/96 groundnut season opened on December 1. The 1994/95 groundnut crop was reported at 190,000 tons, and an increase of 15% was being forecast for the new season. Groundnut production fluctuates considerably, but this figure is more than double that of most previous years, and may include quantities of nuts brought in from Senegal. Officials said the crop should be marketed more efficiently this year because the Gambia Cooperative Union (GCU), the producers' organisation, had agreed to sell its purchases to the privatised national marketing operation, the Gambia Groundnut Corporation. In the previous two seasons, the GCU had sold most of its produce through Senegal, where government subsidies meant higher producer prices (1st quarter 1995, page 23). This had led to long marketing delays, slow payment and losses in both quality and quantity. The GCU has established six new buying stations up-country to help improve marketing.

- External trade remains thin  
Trade figures published in the IMF's *International Financial Statistics* indicate that the drop in external trade which followed the coup of July 1994 (3rd quarter 1995, page 21) persisted into the first half of 1995. The figures, compiled from customs returns, show that exports in the first six months of 1995 amounted to only D110.8m (\$11.6m) compared with D235m in the equivalent period of 1994, a fall of nearly 53%. Imports in the period fell by 40% to D665.8m compared with D1.1bn in the first half of 1994.
- Captain Jammeh forecasts a better year for tourism—  
In his New Year broadcast, the head of state, Captain Yahyah Jammeh, said that tourism had regained the momentum of previous years "before the disaster of 1994", and could anticipate 70,000 tourists in 1996. If so, this would mean that the tourist industry, The Gambia's single most important foreign currency earner, would have returned to its pre-coup level.
- as hotels and airlines business perks up—  
Confidence does indeed appear to be returning to some parts of the industry. The 650-bed Senegambia Hotel was reported in mid-December to be undergoing a \$4.5m facelift, while the Atlantic Hotel's airline catering unit has been contracted by Swissair to provide catering services for the airline's new twice-weekly service to Banjul. The unit, located at Banjul airport, has been in operation since 1981 and already provides catering for the Belgian airline, Sabena, Germany's Condor airline, Ghana Airways and ADC Airlines of Nigeria. The Gambia recorded upwards of 100,000 tourist visits in the 1993/94 season, bringing in an estimated \$56m in 1994, but the industry collapsed following Captain Jammeh's coup in July that year (2nd quarter 1995, page 22).
- with one carrier hoping to benefit from a Lagos-UK run  
The Banjul-based African Intercontinental Airways was due to start operating a weekly passenger service to London's Gatwick airport from November 28, using a Lockheed L1011 TriStar. The company's cargo manager, Mark Richards, sees good prospects for the company's Gatwick-Banjul-Lagos route. While there was little scope for development in the air cargo market from the UK to The Gambia, he expected large volumes of perishable cargo to be carried in the opposite direction. Most cargo from Gatwick would be Lagos-bound. The company hoped to increase its fleet early in 1996, Mr Richards added.
- The government hits businesses with a new tax  
The government announced on January 15 that it was introducing an annual tax on companies, to help pay for the acceleration of its educational programme, in the form of a National Education Levy. Companies with an annual turnover of between D1.5m (\$152,000) and D3.5m will pay D10,000; those with turnover in the range D3.5-5.0m will be required to pay D15,000; and companies with turnover above D5m will pay D20,000. The tax is to be paid annually between January 1 and February 15.
- Gambian television begins transmission  
The new national television service began transmissions in mid-December. Thomson Broadcasting of France financed the project, with a \$4.7m loan. The Gambia has three radio stations, of which two are privately run, but television transmissions had previously only been available from Senegal.

## Political structure: Mauritania

Official name: République Islamique de Mauritanie

Form of state: Arab and African Islamic republic

Legal system: strongly influenced by the *sharia* (Islamic law), based on the 1991 constitution

National legislature: bicameral Assemblée nationale, reconvened following elections in 1992, consists of an upper house with 57 senators and a lower house with 79 deputies

Last elections: January 1992 (presidential); March-April 1992 (legislative)

Next elections: October 1996 (legislative); 1998 (presidential)

Head of state: president, elected for a renewable six-year term

National government: the president and his appointed Council of Ministers; last major reshuffle January 1996

Main political parties: 20 political parties have registered under the new constitution, including: Parti républicain démocratique et social (PRDS—ruling party); Rassemblement pour la démocratie et l'unité (RDU); Parti mauritanien du renouveau (PMR); Union des forces démocratiques-Ere nouvelle (UFD); Union pour la démocratie et le progrès (UDP); Union populaire socialiste et démocratique (UPSD); Parti pour la liberté, l'égalité et la justice (PLEJ)

President

Maaouya Ould Sid'Ahmed Taya

Prime minister

Cheikh El Avia Ould Mohamed Khouna

### Key ministers

civil service, labour, youth & sports

Sidi Mohamed Ould Mohamed Vall

culture & Islamic affairs

Limam Ould Teguedi

defence

Abdellahi Ould Abdi

education

Lemrabott Sidi Mahmoud Ould Cheikh Ahmed

finance

Sidi Mohamed Ould Biya

fisheries & the maritime economy

Baba Ould Sidi

foreign affairs & cooperation

Mohamed Salem Ould Lekhal

health & social affairs

Kamara Aly Gueladio

information & relations with parliament

Rachid Ould Saleh

interior, posts & telecommunications

Mohamed Lemine Salem Ould Dah

justice

Ethmane Sid 'Ahmed Ould Yessaa

mines & industry

N'Gaide Lamine

planning

Ch'bih Ould Cheikh Melainine

rural development & the environment

Sow Abou Demba

secretary-general of the presidency

Louleid Ould Weddad

supplies & transport

Boidiel Ould Moumeid

trade, crafts & tourism

Boidiel Ould Houmeid

water & energy

Mohamed Lemine Ould Ahmed

Governor of the Central Bank

Ahmed Ould Zein

## Economic structure: Mauritania

### Latest available figures

Economic indicators	1991	1992	1993	1994	1995 <sup>a</sup>
GDP at market prices UM bn	92.6	103.6	114.5 <sup>b</sup>	126.5 <sup>b</sup>	141.6
Real GDP growth %	2.6	1.7	5.5	4.6	4.9 <sup>b</sup>
Consumer price inflation %	5.6	10.1	9.3	4.9	7.0
Population m	2.04	2.11	2.16	2.21	2.27
Exports fob \$ m	436	407	399	394	457 <sup>c</sup>
Imports fob \$ m	399	461	409	382	366 <sup>c</sup>
Current account \$ m	-30	-118	-139 <sup>b</sup>	-20 <sup>a</sup>	n/a
Reserves excl gold \$ m	67.6	61.2	44.6	39.7	85.5 <sup>d</sup>
Total external debt \$ m	2,236	2,138	2,203	2,285	n/a
External debt-service ratio %	19.0	16.2	27.3	26.6	n/a
Iron-ore exports '000 tons	10,469	8,009	9,736	10,342	11,890
Fish exports '000 tons	301.0	290.6	312.6	196.0	300.0 <sup>b</sup>
Exchange rate (av) UM:\$	81.9	87.0	120.8	123.6	129.8 <sup>d</sup>

February 23, 1996 UM137.3:\$1

Origins of gross domestic product 1992	% of total	Components of gross domestic product 1993	% of total
Agriculture	29.5	Private consumption	71.1
Mining	8.3	Public consumption	17.5
Manufacturing	10.8	Gross fixed investment	24.4
Services	44.1	Change in stocks	0.0
GDP at factor cost incl others	100.0	Exports of goods & services	39.5
		Imports of goods & services	-52.5
		GDP at market prices	100.0

Principal exports 1994	\$ m	Principal imports 1992	\$ m
Iron ore	163	SNIM-SEM	185.3
Fish	208	Food	125.6
		Transport equipment & machinery	51.5
		Consumer goods	40.9
		Petroleum products	30.8

Main destinations of exports 1994 <sup>e</sup>	% of total	Main origins of imports 1994 <sup>e</sup>	% of total
Japan	28	France	23
Italy	15	UK	7
France	14	Germany	6
Spain	11	Japan	6

<sup>a</sup> EIU estimates. <sup>b</sup> Official estimate. <sup>c</sup> IMF estimate. <sup>d</sup> Actual. <sup>e</sup> Derived from partners' trade returns, subject to a wide margin of error.

# Mauritania

## Outlook

The election puts politics at the top of the national agenda—

The announcement that the legislative election will be brought forward to October 1996 has given fresh impetus to the whole of Mauritania's political class. The ruling Parti républicain démocratique et social (PRDS) has seized the advantage with some slight cabinet changes, overtly designed to appeal to various sections of the community that had earlier thought their interests were being overlooked due to the non-inclusion in the government of people from their area. Nevertheless, although it became politically expedient (if not essential) to make some changes to ensure continued wide support for the PRDS, the outgoing prime minister has been rewarded for almost four years at the helm with the key job of secretary-general of the party, and the heavy charge of organising the party machinery to fight the elections.

—and this time the opposition will take part

The opposition, caught somewhat short by the advancement of the ballot, will strive to come together under a common banner (as they attempted in 1992), but this time there is little likelihood of any boycott of the process. The main parties lining up on the hustings will be the PRDS and the Union des forces démocratiques-Ere nouvelle (UFD). Alongside them, other than a handful of smaller centre parties seeking local representation, will be several independent candidates who, as in the previous elections, are displeased with the selection procedures for the larger parties and consider their local power bases to be sufficient to earn them a place in the Assemblée nationale (parliament). The scrapping of lenient sentences handed down to those arrested in the most recent supposed Baathist "plot" is a further sign that the ruling party is doing all possible to re-cement possible schisms within its ranks.

Economic strategy will continue unchanged—

Meanwhile, pragmatic and prudent management of the Mauritanian economy will continue virtually unchanged, with the requirements of the international financial community receiving priority attention. Mauritania has met virtually all of the requirements set by the IMF and the World Bank in its former programmes, most recently with the full liberalisation of the exchange rate system. GDP growth in 1995 is estimated at close to 5%, with expectations of an equally good performance in 1996. Indeed, although the country remains heavily dependent on exogenous influences (notably the climate for cereal production and world prices for its main export commodities, fish and iron ore), the government has managed to diversify and to introduce a series of measures designed to attenuate, if not eradicate, the wide fluctuation in fortunes experienced in earlier years. Inflation has been kept to single digits, despite a progressive slide in the exchange rate.

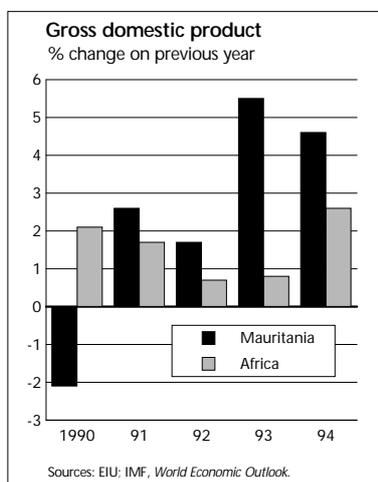
—and the government is strong enough to maintain an austere line

Despite the austerity induced by the programme, the government has such a strong political mandate that it is able to force through with little opposition what would otherwise have been unpalatable measures. Indeed, the change in prime minister (even if it is largely cosmetic) may be enough to defuse grumblings by some ambitious politicians and businessmen at what they see as the unnecessary prolonging of austerity moves and the gradual erosion of their former privileges. This process will be accelerated as the electoral deadline approaches, and solidarity will be the watchword as the PRDS marches, inevitably, towards another landslide victory.

## Review

### The political scene

The electoral calendar is abridged—



—and the PRDS girds up for the polls

Mauritania's next legislative elections, originally due in early 1997, will now be held on October 11 and 26, 1996. Announcing the change, the interior minister, Mohamed Lemine Salem Ould Dah, added that senatorial elections would be brought forward to mid-April, when the mandates of one-third of the 57 senators will be up for renewal. (The senatorial elections are held in electoral colleges, comprising local government counsellors.) The legislative ballot has been advanced, according to official statements, to ensure that there will be no difficulty with the passage of the 1997 budget; according to the constitution, this would not be possible in the midst of electioneering. The minister told political leaders that he was prepared to support any initiative aimed at ensuring the success of the elections, and stressed the importance of the logistical aspect of the exercise. Opposition party leaders said the real problems were elsewhere, and repeated demands for a new electoral code, viable voter registration and the guarantee of active participation by all sides in drawing up and managing the electoral lists. They also expressed surprise at the shortening of the original timetable, claiming that, given the importance of the elections, there was insufficient time to ensure all arrangements could be made.

Several signals preceded the announcement of a change to the political timetable. In early January the president, Maouya Ould Sid'Ahmed Taya, summoned his then prime minister, Sidi Mohamed Ould Boubacar, thanked him for his stewardship of the economy and told him he was out of a job. The overtly political nature of the move became rapidly apparent as the former prime minister was appointed, just three days later, as secretary-general of the ruling Parti républicain démocratique et social (PRDS). As such his change of portfolio cannot be viewed as a criticism of past stewardship, but rather as a "sideways" promotion as, having done a good job as the head of government, he is now charged with ensuring the party's electoral success. Nevertheless, the outgoing prime minister had been strongly criticised by senators in late December, when they accused him of introducing lax policies and of poor management of the economy, while demanding further reforms and greater determination in pursuing change.

The opposition decides to present a united front

The opposition has already announced that it will regroup within a single movement to oppose the ruling party, which holds an absolute majority in the current *Assemblée nationale* (parliament). According to the independent newspaper, *Mauritanie Nouvelles*, representatives of various political movements have demanded that the forthcoming ballots are held in a spirit of full transparency, in order to permit their full participation. Such is the stance of the most vociferous group, the Union des forces démocratiques-Ere nouvelle (UFD), which boycotted the previous parliamentary ballot in 1992 in protest at what it claimed was massive PRDS fraud during the presidential election. Responding on behalf of the government, the interior minister said it was up to every Mauritanian, regardless of political preference, to ensure that elections were free and fair.

The new prime minister is nominated—

The fisheries minister, Cheikh El Avia Ould Mohamed Khouna, was named as the new prime minister and presented his government. Few changes mark the reshuffle; four new ministers joined the cabinet, which continues to comprise just 17 ministers and four secretaries of state. Of the key ministries, the only one to be affected is that of rural development, where the former trade minister, Sow Abou Demba, is now in charge. The new prime minister was replaced at the fisheries ministry by Baba Ould Sidi. Three other personalities have entered the government, including Kamara Aly Gueladio (health and social affairs), Boidiel Ould Houmeid (trade, crafts and tourism) and Seniya Mint Sidi Haiba, who takes over as secretary of state for women's affairs. The reshuffle came just days before the announcement of changes to the electoral calendar (and the annual congress of the ruling PRDS), and is largely political in nature. The new prime minister comes from the eastern Hodh El Charghi province, and his appointment will go a long way to bolstering the ruling party's fortunes in what is generally considered to be a deprived region. (Last July six opposition parties denounced the government's alleged lack of interest in and neglect of the region.)

—but the opposition leader discounts his role

The leader of the UFD, Ahmed Ould Daddah, played down the importance of the government reshuffle. He claimed that the prime minister had no real role to play, saying: "He is as good as a fuse, and you know the fate of fuses; they are replaced as soon as they blow up." The opposition leader said that nothing in particular showed that there had been a change in the government's programmes or in its relations with citizens or political parties.

The court of appeal quashes sentences passed on Baathist "plotters"

The 52 people arrested in late October after the alleged discovery of a Baathist plot (4th quarter 1995, page 28) were sentenced in Nouakchott in December. As expected, the court was lenient. Only eight of them received jail sentences of 12 months, including Khattry Ould Taleb Jiddou, founder of the Baathist Parti de l'avant garde nationale (PAGN, also known as Atalia'a). Two others were sentenced to six months in prison, 11 received suspended sentences of 6-12 months and the rest were acquitted. The prosecutor had requested penalties of between one and five years in jail for all the accused, but the court opted instead for what was seen as a political solution as several of those before the bench were prominent members of the press, the civil service, and the close circle of advisers to the presidency. Even these penalties were judged too harsh

- by an appeal court, which in early January refused a plea by the prosecutor for stronger sentences and simply acquitted all the accused, claiming there was insufficient proof to confirm the sentences and that the original judicial process was flawed.
- Refugees suffer from the rapprochement between Dakar and Nouakchott— Several hundred Mauritanian refugees, stranded in northern Senegal since the riots and deportations of 1989, took to the streets in mid-January to protest against what they see as increasing lack of interest in their plight. They are particularly unhappy at the way the Senegalese government appears to be turning a blind eye to their situation, compounding the pressure they have been feeling since the UN agencies (notably the Office of the UN High Commissioner for Refugees, UNHCR) stopped food aid deliveries from January 1, 1996. Spokesmen for the refugees claim that the Senegalese government, for reasons of political expediency, is adopting an attitude similar to that of Mauritania (which denies there is a refugee problem) and says there is no reason for these people not to go home quietly. The refugees want the UN to oversee their return and to ensure that properties lost or abandoned at the time of their flight are returned. According to a census in mid-1995, some 66,000 refugees of Mauritanian origin were living in camps along the southern bank of the Senegal river.
- while those who go home face other problems Speaking in late December the then prime minister, Sidi Mohamed Ould Boubacar, said that the refugee problem was a thing of the past and claimed that all Mauritians, wherever they were to be found, were free to return home any time they wished. Refugee associations claim otherwise, saying that up to 7,000 people have returned home but that they have experienced severe difficulties in establishing their identities, in recovering lost properties and in getting their old jobs back. They want all those who sought exile in the wake of the 1989 ethnic disturbances to be fully reintegrated into their former jobs, and to recover properties (including land and livestock) lost at that time.
- A non-aggression pact is rekindled Mauritania is one of seven West African states which have decided to reactivate a mutual non-aggression and defence pact first signed 18 years ago. The other signatories to the pact were Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo. Defence ministers from the seven countries met in Nouakchott in mid-December and resolved to give new powers to two regional bodies set up under the pact; a mediation committee and a regional committee for civil action.
- Ties with Iraq and Libya are stretched to the limit— Following the expulsion in October of the Iraqi ambassador (4th quarter 1995, page 28) and the trial of the supposed Baathist plotters, the Mauritanian media began a concerted campaign to expose the alleged "malicious intentions" of Saddam Hussein's regime. The press adviser to the Mauritanian president and director of television, Ahmed Ould Bannio, said that radical changes were being made in Mauritania's political stance towards Iraq. He demanded that the state media be purged of Iraqi influence, notably in television service, which is funded by Saddam's regime, and some Mauritanian newspapers, and blamed this influence for Mauritania's pro-Iraqi stance during the Gulf war.

Meanwhile, relations with Libya have been broken off following Mauritania's decision to re-establish diplomatic ties with Israel. (The two latter countries signed an agreement in Barcelona last November to establish full diplomatic relations within a short period; until full diplomatic missions are opened in Tel Aviv and Nouakchott, their interests will be represented by the Spanish ambassadors in the two capitals.) In view of this pact, Libya recalled its representative to Nouakchott and decided to cut off all economic assistance to Mauritania, and to dispense with Mauritanian workers in Libya.

—while relations  
strengthen with Kuwait  
and the West

Mauritania's ties with the moderate Gulf states have strengthened as its links to the regimes in Baghdad and Tripoli wane. In mid-November the new ambassador from Kuwait presented his letters of credence to Maaouya, marking a formal end to the state of "distrust" that had existed between the two states since the Gulf war.

Another trade union  
federation is set up

A third national independent trade union federation, the Confédération libre des travailleurs de Mauritanie (CLTM) has been established. Its leader, Samori Ould Beyi, said the new organisation aimed to work for a better standard of living for Mauritanian workers and an improvement in their working and cultural conditions. On the broader economic level, the CLTM will lobby for more equitable distribution of national resources.

The health minister  
reports 16 new AIDS cases

On World AIDS Day in early December the then health minister, Sghair Ould M'barek, said Mauritania had recorded 16 new cases of Acquired Immune Deficiency Syndrome (AIDS) during the first half of 1995. He did not give a cumulative total of AIDS cases in the country. Compared with many other African countries, Mauritania has a low incidence of AIDS and the HIV virus which is generally accepted to cause it. According to the latest available figures from the World Health Organisation (WHO), by the end of 1994 an estimated 7,000 people in Mauritania, about 0.7% of the adult population, were HIV-positive.

The Arab Maghreb Union  
is hamstrung by  
disagreements

The Arab Maghreb Union (AMU) remains riven by the tensions which have plagued it in recent years (1st quarter 1995, page 32). The regional trade and cooperation group, linking Mauritania, Algeria, Libya, Morocco and Tunisia, has been teetering on the point of dissolution as relations between the members become increasingly acrimonious. Nevertheless, various national leaders continue to laud the aims of the group, claiming that political differences could never override the geographical and cultural ties linking the Maghreb peoples. Quarrels currently preventing advancement of the group include those pitting Morocco against Algeria (about the independence of Western Sahara) and Libya's disagreements with virtually all of its partners regarding the general attitude towards the Israel-Palestine peace initiative. In early February Algeria denied that meetings called by AMU had been cancelled, despite a statement from Libya claiming that the group had decided to suspend all meetings until Algeria and Morocco had settled their disagreement. Tunisia also denied any such initiative, claiming that it had received no official notification of any changes to the planned schedule of meetings. Despite these denials, there is no immediate prospect of reviving the momentum towards greater regional cooperation.

## The economy

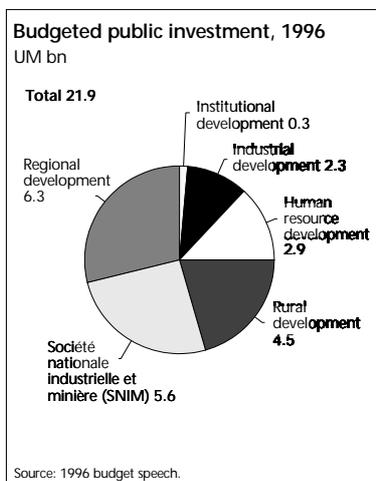
The prime minister reviews economic progress in 1995—

In mid-December the then prime minister, Sidi Mohamed Ould Boubacar, presented his annual report to parliament. He claimed that the economy was on target to register real GDP growth of 4.9% in 1995, and that a similar rate would be achieved in 1996.

The prime minister said agriculture would make a substantial recovery in the 1995/96 (April-March) crop season, thanks to good rainfall. A total cereal crop of 127,000 tons was forecast, 16.5% higher than the previous year. Output from irrigated lands was expected to amount to 53,500 tons of rice. Fish exports rose by 42.7% in volume and 31.8% in value in the first nine months of 1995 compared with the same period of 1994, to 187,000 tons and UM26bn (\$200m) respectively. This increase was due, in large part, to a rise of 88% in pelagic catches. Exports of demersal species fell by 5.7%, but this was compensated for by an increase in prices of roughly 29.2%. Exports by the Société mauritanienne de commercialisation du poisson (SMCP), the state fish-trading company, grew by 22% in value to \$153m in the same period. Mining also recorded an improvement; sales of iron ore were up by 18% to \$138m in the first ten months of 1995 compared with the equivalent period of 1994, with volume shipments up by almost 15%.

Public expenditure grew by 3% in the year to end-September 1995 compared with the same period in 1994, while receipts increased by 7%, releasing a budget surplus of UM2.5bn after debt amortisation.

—and announces his budget for 1996—



—including further tax changes—

The 1996 budget, adopted by the Assemblée nationale (parliament) in late November, has been fixed at UM43.2bn, with revenue expected to match expenditure. The amount is roughly 7.5% more than that allocated in 1995, largely due to higher revenue from fisheries and a general increase in taxes raised from domestic production. The operational budget has been raised by 5.2%, with larger allocations being granted to education and health as part of a general thrust to improve the social sectors and general living standards. The capital budget has been fixed at UM21.9bn, of which almost half will be dedicated to rural and regional development. Less than 18% of the budget is earmarked for servicing external debt, although the government expects the shortfall to be made up by foreign loans and grants so that the country meets its debt-service obligations. As a result, the total sum expected to be available to the whole public sector in 1996 (current and capital spending, excluding receipts from parastatals) is UM62.9bn, which is roughly equivalent to 41.8% of GDP. Overall, the 1996 budget is expected to result in a slight surplus of UM2.6bn after debt payments.

Receipts, estimated at UM38bn, are expected to be 7.5% greater than in 1995, rising roughly in line with inflation. This is despite a 2.4% decline in the overall tax take, which is expected to fall to UM24.8bn, owing mainly to a drop in receipts from value-added tax (VAT). However, non-tax receipts are expected to reach UM12.5bn (42% higher than the amount raised in 1995) due to a sizeable increase in revenue from fishing rights. The main changes to the tax regime concern the reduction and simplification of duties and taxes due on various

types of fish (notably frozen products), as well as suppression of the preferential taxes on imported fuel products used by the state-run mining company, Société nationale industrielle et minière (SNIM), and the state utility, Société nationale d'eau et d'électricité (SONELEC). This last measure also applies to diesel fuel for agricultural use, which will release an additional UM100m for a new special account designated to support agricultural development.

—and a tight rein on spending

Expenditure, set at UM35.4bn, is also 7.5% higher than in 1995. Being in line with inflation, the sum is a clear indication that the government intends to maintain a tight budget for the coming year. Current spending on state-sector salaries and equipment is set at UM21.1bn, just 5.2% above the outlay in 1995. Nevertheless, civil service wages will rise at close to the estimated rate of inflation (7%), while expenditure on equipment, especially military, is held at the same level as in 1995. Only the ministries of health, education, the interior and justice will have more at their disposal in the coming year. Also expected to rise are payments on the national debt, which will grow by 8.7% this year to reach UM4.5bn. Capital spending is set to increase by 12% in 1996, largely due to higher investment spending and debt amortisation, which are scheduled to reach UM2.2bn and UM2.1bn respectively. The amount dedicated to public investment in 1996 is 4% greater than in 1995, at UM21.9bn, of which UM18bn will come from external sources, two-thirds of it in grant form.

The ouguiya in effect becomes fully convertible

In late December the Central Bank of Mauritania published a series of circulars modifying the methods of payment for goods imported by Mauritanian traders. Since the start of 1996 periodic allocations of hard currencies by the Central Bank have been suspended, and foreign currency for payments may now be sourced directly from commercial banks and foreign exchange bureaux. The only paperwork required by importers is an import certificate, upon which is clearly marked the name of the bank or agency that will handle the transaction. The importer must submit this document to the Central Bank for approval, which is supposed to be given within 48 hours. The bank or exchange bureau then debits its customer's account and authorisation for transfer of the funds is given. An official circular detailing permitted sources of foreign exchange for the settlement of such payments includes all foreign notes and travellers' cheques bought in Mauritania; in effect, this removes all controls over foreign exchange, despite the fact that importing or exporting the ouguiya remains illegal.

## Agriculture and fishing

The fishing moratorium is lifted

Mauritania's temporary ban on fishing (4th quarter 1995, page 35) was rescinded in early November. The one-month suspension of all operations was imposed to permit recovery of fish stocks which were thought to be seriously depleted by overfishing, notably cephalopod species (octopus and squid), of which an estimated 75,000 tons are exported to Japan each year. The end of the ban reopened the waters to some 330 foreign ships and more than 2,000 local boats (essentially operated by artisanal fishermen). The fisheries ministry estimates that fish exports will recover strongly in 1995 in spite of the suspension, reaching approximately 300,000 tons compared with 196,000 tons in 1994.

- The agreement with the EU is renegotiated—  
—and a fishing pact with Senegal is revived
- Shortly after the suspension of fishing was lifted, the fisheries agreement linking Mauritania and the European Union (EU) was renegotiated. New quotas have been established for catches of squid and octopus within Mauritania's territorial waters, whereby up to 18 boats will be allowed access. These ships, mainly of Spanish and Portuguese origin, may now operate until the agreement expires in late July 1996.
- Mauritania and Senegal have decided to revive their moribund fishing agreement. A joint commission met in mid-January to examine ways of reviving joint agreements on the surveillance and management of maritime resources. Ministers from the two countries said there had been an unacceptable increase in unregulated artisanal activities and piracy, and considered joint initiatives were necessary to bring an end to the "systematic pillage" of their joint fish reserves and permit a greater exchange of ideas and information. Mauritania and Senegal have been linked in a joint fishing convention since 1983, although this has been in abeyance since the ethnic riots and mutual expulsions of 1989. In a separate agreement in late January Mauritania signed a pact with Poland on fish conservation, processing, marketing and exploitation, which opens the way to various forms of bilateral joint venture.
- An irrigation scheme wins international funding
- Mauritania has received backing from various donors to fund a major irrigation programme, centred along the Senegal river. Some UM10.5bn (\$76.5m) has been allocated to the five-year project, with funds promised by the World Bank, the EU, France, and Germany. Various initiatives are to be funded including direct investment to expand irrigation, the award of new credits to farmers and efforts to upgrade the environment. The Mauritanian government continues to place a heavy emphasis on developing agriculture in the hope of achieving food self-sufficiency. In 1994 an estimated 142,000 tons of cereals were produced compared to total demand of 300,000 tons, and output in 1995 was expected to have reached 170,000 tons.

## Mining

- Australian miners look for gold
- An Australian firm, General Gold International, has started prospecting for gold over a wholly-owned 20,000-sq km permit in southern Mauritania. The Perth-based company already operates at the Morak copper and gold project, in which it has a 50% stake. Results of a prefeasibility study on the project, centred around the towns of M'Bout and Selibabi, are expected in the near future. Drill targets will include Fra Arghaghar, where gold has been noted in a 15-km deposit, and at Ghabra, where surface samples tested at up to 6.9 g/ton. Southern Mauritania has been subject to limited exploration by France's Bureau de Recherches Geologiques et Minières (BRGM); field mapping and sampling have defined 15 areas with probable gold and base metal values. General Gold International is considering a scheme to reopen the copper workings at the Morak site, which has now become feasible due to the gold content of the tailings. Recoverable copper reserves at the mine are estimated at 26m tons. If the scheme takes off as planned in 1998, annual production could reach 20,000 tons of refined copper. It could provide Mauritania with

additional copper export revenue of \$30m-40m per year for the next 15 years, plus up to \$20m per year for the associated gold and cobalt.

## Foreign trade and payments

Aid news    Recent aid agreements have included the following.

- A pledge of support from Canada on efforts to eradicate poverty and boost general welfare; Canada has also promised to supply help with transport, communications and education.
- A \$250,000 agreement with the UN Food and Agriculture Organisation (FAO) for assistance in pest control, notably in attempts to reduce the bird population around the Senegal river valley.
- UM500m (\$3.6m) from the European Union (EU)'s Stabex fund to develop fishing companies and cooperatives.
- A \$1m loan from the Islamic Development Bank (IDB) to fund a feasibility study for processing iron ore pellets in a project valued at \$4.5m, plus a loan of UM164m for building rural veterinary centres.
- Food aid worth FFr1m (\$200,000) from the French government Fonds d'aide et de coopération (FAC) to help families affected by floods that hit Nouakchott last year (4th quarter 1995, page 30).
- A promise of Japanese aid in the near future amounting to UM5.5bn, including UM1.5bn to buy two fisheries research vessels and UM178m towards debt relief. A further loan of UM3.7bn is under consideration to fund private-sector development. Japan has also granted UM5m towards projects connected with local health centres and small-scale farming.

## Appendix 1

### Quarterly indicators of economic activity in Senegal

		1993			1994				1995		
		2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Prices: Dakar	Monthly av										
Consumer prices:	1990=100	95.8	99.6	98.5	117.7	124.9	135.3	138.3	134.0	135.6	143.0
change year on year	%	-2.1	1.5	0.1	22.1	30.4	35.8	40.4	13.8	8.6	5.7
Money & banking	End-Qtr										
M1, seasonally adj:	CFAfr bn	193.2	189.8	195.8	224.4	226.8	284.2	298.8	293.5	280.6	319.4
change year on year	%	-8.1	-7.1	-9.2	14.8	32.9	49.8	52.6	30.8	9.3	12.4
Discount rate	% per year	12.50	12.50	10.50	14.50	12.00	10.00	10.00	9.00	8.50	8.50
Foreign trade <sup>a</sup>	Qtrly totals										
Exports fob	CFAfr bn	42.51	40.17	35.70	83.77	96.54	85.37	83.83	86.82	92.40	83.52
Imports cif	"	78.83	84.41	89.96	138.39	171.96	157.49	168.94	180.69	194.16	165.38
Exchange holdings	End-Qtr										
Central Bank:											
gold <sup>b</sup>	\$ m	7.8	8.2	8.1	8.4	8.3	8.4	8.4	8.2	8.4	8.4
foreign exchange	"	4.4	5.5	1.5	9.3	2.8	45.2	176.9	244.2	275.5	277.4
Exchange rate											
Market rate	CFAfr:\$	284.8	283.2	294.8	571.0	547.2	528.2	534.6	484.9	485.3	491.5 <sup>c</sup>

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

<sup>a</sup> DOTs estimate. <sup>b</sup> End-quarter holdings at quarter's average of London daily price less 25%. <sup>c</sup> End-4 Qtr, 490.0.

## Appendix 2

### Quarterly indicators of economic activity in The Gambia

		1993			1994				1995		
		2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Prices	Monthly av										
Consumer prices:	1990=100	130.0	127.6	126.2	126.9	128.8	126.8	132.4	134.6	136.3	139.5 <sup>d</sup>
change year on year	%	8.2	8.0	5.5	3.7	-0.9	-0.6	4.9	6.1	5.8	n/a
Money	End-Qtr										
M1, seasonally adj:	D m	447.9	443.5	464.2	445.4	423.5	391.3	409.2	399.4	456.4	440.7 <sup>b</sup>
change year on year	%	15.8	10.0	5.6	5.5	-5.4	-11.8	-11.8	-10.3	7.8	n/a
Foreign trade	Qtrly totals										
Exports fob	D m	160.83	75.48	84.05	138.64	96.37	37.24	65.56	72.19	38.61	n/a
Imports cif	"	669.11	291.48	601.29	611.88	494.71	465.38	430.93	350.08	315.72	n/a
Exchange holdings	End-Qtr										
Monetary authorities:											
foreign exchange	\$ m	106.77	99.90	101.26 <sup>c</sup>	109.20	101.61	96.19	95.59	95.99	98.09	110.75 <sup>b</sup>
Exchange rate											
Market rate	D:\$	8.916	9.323	9.535	9.701	9.521	9.480	9.579	9.372	9.542	9.570 <sup>b</sup>

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

<sup>a</sup> July only. <sup>b</sup> End-August. <sup>c</sup> End-November.

## Appendix 3

### Quarterly indicators of economic activity in Mauritania

		1993		1994				1995			
		3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr
Prices	Monthly av										
Consumer prices <sup>a</sup> :	1990=100	130.2	128.9	127.9	131.5	134.8 <sup>b</sup>	n/a	n/a	n/a	n/a	n/a
change year on year	%	12.2	0.5	2.5	5.3	n/a	n/a	n/a	n/a	n/a	n/a
Money	End-Qtr										
M1, seasonally adj:	UM m	20,566	21,697	20,050	20,309	17,492	20,535	19,613	19,773	18,943 <sup>c</sup>	n/a
change year on year	%	-1.4	3.6	-7.9	-0.4	-14.9	-5.4	-2.2	-2.6	n/a	n/a
Foreign trade <sup>d</sup>	Annual totals										
Exports fob	\$ m	( 423 )		( 464 )						n/a	
Imports cif	"	( 570 )		( 589 )						n/a	
Exchange holdings	End-Qtr										
Foreign exchange	\$ m	52.0	44.4	44.0	39.2	46.0	39.7	70.9	61.5	73.4	85.4
Exchange rate											
Market rate	UM:\$	120.15	124.16	122.53	123.55	124.12	128.37	125.28	130.16	134.05	137.11

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

<sup>a</sup> Mauritanian households. <sup>b</sup> July only. <sup>c</sup> End-August. <sup>d</sup> DOTS estimate.

## Appendix 4

### Foreign trade of Senegal

	\$ '000		
	Jan-Dec 1989	Jan-Dec 1990	Jan-Dec 1991
<b>Exports fob</b>			
Fish & products	208,121	216,041	215,256
Oilseed cakes	39,112	35,366	17,451
Cotton, raw	10,718	9,533	20,248
Phosphates, mineral	63,875	56,962	43,926
Salt	6,330	7,820	n/a
Mineral fuels	84,515	96,768	104,390
Groundnut oil	102,828	129,980	69,534
Chemicals	97,452	116,680	95,110
Machinery & transport equipment	28,197	18,470	13,695
Total incl others	750,884	782,600	652,208
<b>Imports cif</b>			
Dairy products	42,881	46,490	41,737
Cereals & products	156,476	180,544	115,011
Sugar & products	9,280	36,534	8,115
Beverages, tobacco & manufactures	29,760	29,334	15,303
Mineral fuels	361,029	258,680	120,418
of which:			
crude petroleum	353,105	248,628	91,437
Animal & vegetable oils & fats	19,444	33,186	50,056
Chemicals	147,478	157,626	155,127
Manufactured goods	218,592	259,763	168,130
of which:			
cotton yarn & fabrics	41,953	45,534	28,620
iron & steel	49,060	64,911	39,688
metal manufactures	46,682	51,875	34,161
Machinery incl electric	190,655	235,195	177,720
Transport equipment	119,713	109,294	71,311
of which:			
road vehicles	107,002	102,329	66,6659
Total incl others	1,533,973	1,620,419	1,096,951

	\$ m				\$ m		
	Jan-Dec 1992	Jan-Dec 1993 <sup>a</sup>	Jan-Dec 1994 <sup>a</sup>		Jan-Dec 1992	Jan-Dec 1993 <sup>a</sup>	Jan-Dec 1994 <sup>a</sup>
Exports fob				Imports cif			
France	185	140	165	France	389	442	400
Italy	39	50	54	Cameroon	74	83	92
Mali	37	44	50	Nigeria	72	78	81
Cameroon	27	37	47	Italy	70	48	63
Iran	22	22	23	Thailand	35	56	54
Spain	14	14	23	USA	71	76	47
Guinea	15	18	21	Belgium-Luxembourg	37	40	44
Germany	9	14	16	UK	22	24	35
Netherlands	25	11	15	Netherlands	29	29	34
India	105	19	15	Japan	44	34	30
USA	3	8	12	Portugal	3	3	26
Total incl others	682	573	635	Total incl others	1,170	1,202	1,169

<sup>a</sup> DOTS estimate.

## Appendix 5

### Foreign trade of The Gambia

	D '000					
	Jan-Dec 1990	Jan-Dec 1991	Jan-Dec 1992	Jan-Sep 1991	Jan-Sep 1992	Jan-Jun 1993
Exports fob						
Fish & preparations	32,809	36,019	19,429	26,515	13,412	10,218
Groundnuts, shelled	63,483	40,433	n/a	40,433	25,660	n/a
Groundnut oil	38,637	18,197	n/a	10,288	0	n/a
Groundnut meal	7,788	9,978	n/a	9,226	6,362	n/a
Total incl others	320,066	371,358	565,734	280,422	472,977	311,449
Imports cif		Jan-Dec 1990	Jan-Dec 1991	Jan-Dec 1992	Jan-Sep 1992	Jan-Sep 1993
Food		522,882	566,846	690,667	457,405	412,552
Beverages & tobacco		77,554	72,048	87,493	63,746	88,856
Crude materials		14,617	21,369	20,974	13,881	48,947
Mineral fuels		136,827	195,582	167,364	135,002	96,805
Animal & vegetable oils		22,701	36,661	74,083	45,438	58,690
Chemicals		95,590	149,831	120,733	85,744	83,205
Manufactured goods		310,363	358,011	363,327	245,914	285,120
Machinery & transport equipment		237,797	310,445	413,348	297,749	413,349
Total incl others		1,932,744	1,932,744	2,081,387	1,483,760	1,617,061

	\$ m				\$ m		
	Jan-Dec 1992 <sup>a</sup>	Jan-Dec 1993 <sup>a</sup>	Jan-Dec 1994		Jan-Dec 1992 <sup>a</sup>	Jan-Dec 1993 <sup>a</sup>	Jan-Dec 1994
Exports fob				Imports cif			
Belgium-Luxembourg	119	59	n/a	France	24	30	25
Italy	45	n/a	n/a	UK	39	39	22
Japan	33	35	n/a	Belgium-Luxembourg	22	24	13
UK	5	8	8	Netherlands	18	22	13
Switzerland	2	n/a	3	Germany	16	15	13
Spain	5	2	2	China	57	77	11
Guinea	8	10	1	Pakistan	7	1	10
Hong Kong	5	4	n/a	Hong Kong	62	42	9
Total incl others	232	154	35	Total incl others	392	376	209

<sup>a</sup> DOTS estimate.

## Appendix 6

### Foreign trade of Mauritania

	UM m			
	Jan-Dec 1989	Jan-Dec 1990	Jan-Dec 1991	Jan-Sep 1992
Exports fob				
Fish & products	21,297	16,647	21,167	13,894
Iron ore	15,035	18,918	19,060	9,806
Imports cif				
Food	8,235	7,147	5,258	8,190
of which:				
tea, sugar & rice	4,317	2,507	1,533	4,010
Transport & equipment	1,318	2,298	1,564	1,740
of which:				
vehicles	530	530	352	638
Construction materials	706	623	341	1,137
Fuels	2,630	2,675	1,889	1,773
Total incl others	18,838	19,362	13,123	17,321

	\$ m				\$ m		
	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994		Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994
Exports fob <sup>a</sup>				Imports cif <sup>a</sup>			
Japan	138	107	129	France	166	149	137
Italy	58	75	69	Germany	37	24	36
France	46	63	63	China	16	5	35
Spain	49	46	53	Spain	48	48	30
Côte d'Ivoire	21	25	29	Belgium-Luxembourg	29	27	29
Belgium-Luxembourg	39	21	24	Italy	42	27	22
Total incl others	449	423	464	Total incl others	599	570	589

<sup>a</sup> DOTS estimate.

## Appendix 7

### French trade with Senegal and Mauritania

(\$ '000)

	Senegal			Mauritania		
	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994
Imports cif						
Fish & products	106,620	97,476	94,836	1,477	4,221	4,841
Crude fertilisers & minerals	8,117	6,397	6,392	0	1	1
Metalliferous ores & scrap	853	477	538	50,069	65,979	66,069
Petroleum & products	0	0	0	0	1,570	0
Animal & vegetable oils & fats	32,060	29,969	47,380	0	0	0
Total incl others	178,584	161,822	183,113	52,196	72,873	72,673
Exports fob						
Food, drink & tobacco	78,799	83,766	63,857	42,590	45,255	29,759
of which:						
dairy products	35,429	37,177	21,861	9,334	4,262	3,470
cereals & preparations	19,512	25,611	27,130	19,744	21,068	15,682
sugar & products	4,678	5,913	1,201	9,811	15,775	4,064
Mineral fuels	4,871	12,181	16,434	9,369	17,291	6,090
Chemicals	83,732	79,154	63,796	16,172	16,694	15,547
Rubber manufactures	5,526	4,971	5,069	3,679	2,486	4,426
Paper & manufactures	9,847	8,980	7,038	1,405	1,178	1,033
Textile fibres, yarn & manufactures, incl clothing	9,658	9,021	6,382	2,467	2,162	2,262
Non-metallic mineral manufactures	7,038	6,808	6,615	1,876	1,482	1,415
Iron & steel	11,228	14,927	6,982	4,340	1,355	1,995
Metal manufactures	14,264	12,124	9,874	9,763	5,874	5,761
Machinery incl electric	113,857	100,224	86,770	36,810	33,041	37,944
Transport equipment	44,002	33,593	27,867	11,945	9,394	23,276
Scientific instruments etc	16,847	9,548	9,667	3,104	2,568	3,506
Total incl others	448,800	421,460	363,374	149,705	142,516	138,215

## Appendix 8

### Japan's imports from Mauritania

(\$ '000)

	Jan-Dec 1991	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Sep 1994	Jan-Sep 1995
Imports cif						
Fish & products	118,609	146,023	113,569	138,414	n/a	n/a
Total incl others	125,926	151,100	117,550	140,861	100,798	114,659