COUNTRY REPORT

Cameroon

Central African Republic

Chad

4th quarter 1996

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The Economist Intelligence Unit

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Summary

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Cameroon

Outlook for 1997-98: Against a background of fiscal and financial crisis, domestic political considerations will dominate policy in the run-up to legislative and presidential elections in 1997. The opposition may find it difficult to agree on a single candidate to take on the president, Paul Biya, and widespread electoral malpractice is expected. The budget deficit may increase, further angering the IMF and the World Bank. Cameroon could, however, get another ESAF loan from the IMF if enough conditions are met. The growth rate will fall back to 3.5% in 1996/97, while exports will lose some of the ground gained since devaluation. This will combine with continuing heavy pressure on the invisibles account to produce sizeable current-account deficits for the foreseeable future.

Review: The government has been reshuffled under a new prime minister, Peter Mafany Musonge, who has a good reputation as an administrator. In the face of Bretton Woods scepticism, the new cabinet has taken a reform-friendly stance. The secretary-general at the presidency, Titus Edzoa, has been sacked following his role in the Intelcam scandal, and the sale of the parastatal has been reversed. Journalists have continued to be imprisoned. The leader of the SDF, John Fru Ndi, has been abroad campaigning for diplomatic support. At home, he clearly refuses to compromise on the issue of a unity opposition candidate in the 1997 presidential election. The UN has appeared indecisive over the Bakassi dispute. The IMF's stand-by credit remains suspended and conditionalities continue to be missed. The government has promised further, substantial, structural reforms. The debt overhang is attaining disastrous proportions. The banking sector remains in crisis. The oil distribution monopoly is being broken up. Soft commodities production is up against declining world prices. Marginal oilfields are coming on stream but production is stagnating overall. New figures show that the trade surplus has weakened, while invisibles outflows remain huge.

Central African Republic

Outlook for 1997-98: Although the new prime minister, Jean-Paul Ngoupande, might be tempted to mount a challenge to the president, Ange-Félix Patassé, he will have difficulty building a sufficiently strong power base. Codepo, the opposition alliance, may enter government. Relations with the Bretton Woods institutions may improve in the near future.

Review: A battle for political control has broken out between the reformist prime minister, and the president over appointments to key parastatal posts. As former mutineers protested against being transferred to Bouar, a major conference has been held about the army. After the rioting and looting of May, the budget projections are no longer realistic, and France has promised to fund the gap. A record cotton crop has been forecast, and diamond output is set to rise. The oil parastatal is to be privatised. The government is relaxing logging controls. Donors are taking a cautious but sympathetic view of reform efforts.

Chad

Outlook for 1997-98: The opposition parties will continue to attempt to organise against the new government. The publication by Amnesty International of a damning report has embarrassed France, which has a heavy presence in Chad. The French military presence is to be modified. Further economic improvements are expected in 1997.

Review: Idriss Déby has been formally inaugurated as president. The losing presidential candidate, Wadal Abdelkader Kamougué, has refused to join the administration. The new government contains representatives of leading political dynasties. An accord has been signed with the FARF and MDD splinter groups in the south. Legislative elections have been postponed to December. The Amnesty report alleges increasing human rights violations and condemns the role of France. Cotton and livestock exports are up. The IMF wants reforms to the customs administration. France is providing further structural adjustment aid.

Franc Zone news

The zone continues to be affected by policy drift in the French African policy establishment, with the momentum of reform slackening after the devaluation of the CFA franc in 1994. Both the West and Central African subregions of the zone posted aggregate current-account deficits in 1995, but regional officials of the zone are broadly optimistic about short-term prospects.

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Cameroon

Political structure

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

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

Economic structure

Latest available figures

Economic indicators	1991	1992	1993	1994	1995
GDP at market prices[a] CFAfr bn	3,174	3,103	3,425	4,129	4,589[b]
Real GDP growth[a] %	–3.0	–3.2	–2.6	3.2	5.2
Consumer price inflation[a] %	1.9	–3.7	12.7	26.9	8.0
Population m	11.9	12.2	12.6	12.9	13.2
Exports fob $ m	1,957	1,934	1,508	1,963[c]	1,932[c]
Imports fob $ m	1,173	983	1,005	1,194[c]	1,296[c]
Current account $ m	–404	–338	–565	–390[c]	–568[c]
Reserves excl gold $ m	43	20	2	2	4
Total external debt $ m	6,167	6,707	6,818	7,275	8,405[b]
External debt-service ratio %	15.6	15.4	19.9	16.5	13.6[b]
Crude oil production ’000 b/d	144	136	132	116	95[b]
Coffee production[d] ’000 tons	115.0	47.9	75.9	56.7	64.9
Cocoa production[e] ’000 tons	109.0	96.0	110.9	109.0	132.0
Exchange rate (av) CFAfr:$	282.1	264.7	283.2	555.2	499.2

October 25, 1996 CFAfr514.3:$1

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

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

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

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

Main destinations of exports 1994[f]	% of total
France	22
Italy	15
Spain	13
Netherlands	8

Main origins of imports 1994[f]	% of total
France	42
Belgium-Luxembourg	6
Italy	5
USA	4

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

Outlook for 1997-98

Domestic politics will stay at the forefront—

With the IMF and World Bank funding taps again dry, a restive political opposition eyeing new elections on the horizon and continuing quarrels with a powerful and unpredictable neighbour, Nigeria, the president, Paul Biya, may be happy to see 1996 draw to a close. However, these headaches will carry over into 1997 and, with his political survival at stake, Mr Biya will have no easier a year. The signs that domestic politics is already his all-consuming passion are to be found in Mr Biya's lacklustre interest in the chairmanship of the Organisation of African Unity (OAU), which he holds until mid-1997, and in his manipulation of cabinet posts in the September reshuffle.

—as the president seeks to undercut his opponents

Bestowing ministerial positions on his traditional allies in the Far North, Centre, East and South provinces—those regions where the ruling Rassemblement démocratique du peuple camerounais (RDPC) made a respectable showing in the municipal elections—Mr Biya also seeks to undercut potential alliance-building among his opponents by appointing a competent and popular south-westerner as prime minister and increasing the number of posts given to northerners. By virtually excluding the North West from any political patronage, he also sent a clear message to the Social Democratic Front (SDF), the principal opposition formation; dialogue is not on the cards.

The opposition remains fractured—

To counter the president's manoeuvres, the SDF leader, John Fru Ndi, needs to spend the days ahead building coalitions, forging compromises and working out a strategy with other opponents of Mr Biya to contest the elections as a united front. However, Mr Fru Ndi has not yet shown that this is his intention. Rather, emboldened by his party's showing in the municipal polls, he seems intent on furthering his own designs on power. With the SDF likely to do reasonably well in legislative elections projected for March (even assuming widespread vote-rigging by servants of the state), Mr Fru Ndi will have his belief reinforced that only his party commands enough of a national following to go head-to-head with the RDPC.

—with election fraud a near-certainty

The problem Mr Fru Ndi will face, however, is a president determined to win at any cost. The propensity of Mr Biya and his colleagues to resort to elaborate and creative methods of fraud—before, during and after the polls—should not be underestimated, and intentions in this regard have been confirmed with the reappointment as territorial administration minister of Gilbert Andzé Tsoungui, who is charged with organising the elections. Mr Fru Ndi's demands, supported by the USA, for an independent electoral commission will hence continue to fall on deaf ears.

The budget deficit is likely to increase—

With the World Bank and the IMF already unhappy about continued budgetary overspending, there is considerable risk of an even worse situation next year, as elections are a notorious money-drainer and the Bakassi border dispute with Nigeria has yet to be resolved. This points to continuing, if not increased, military expenditure. Thus, even the new cabinet officials will have a tough time persuading the multilaterals of the government's determination to trim down and reform.

—and creditors are losing patience—

Meanwhile, "exasperation" is probably too gentle a word to describe the current mood at the Bretton Woods institutions where Cameroon is concerned: officials are not fooled by the cosmetic, albeit positive, changes of cabinet personnel, particularly in the Ministry of the Economy and Finance. What they are waiting for is a sign that Mr Biya has mustered sufficient political will to push through long-stalled structural and fiscal reforms. Yet, with elections now on the horizon, IMF and World Bank staff are none too sanguine that this will occur.

—although an ESAF is desperately needed—

The best the Cameroonian authorities can hope for is IMF willingness to suspend its understandably jaundiced judgement and grant Cameroon a new Enhanced Structural Adjustment Facility (ESAF) early in the new year. This would open up the way for a resumption of World Bank structural adjustment lending and for additional debt relief from the Paris Club of Cameroon's official bilateral creditors later in the year. In a sense there is little choice for the IMF: either grant Cameroon an ESAF, with its tougher conditionalities, or face a break in relations. In the last two years top World Bank managers have, in fact, frequently argued for the latter option, which would leave Cameroon in the same boat as countries such as Zaire and Sudan, which have had relations with the IMF suspended. This underlines just how dire Cameroon's economic and financial reputation has become.

—as the IMF and the World Bank continue to whistle in the dark—

The fact that this option has not been discussed more openly probably lies with two interrelated and continuing considerations. First, Cameroon accounts for well over half the economic activity of the entire Central African subregion of the Franc Zone, which would effectively implode were Cameroon allowed to fall apart financially. This would be a policy disaster for the IMF in particular, which has staked the reputation of its African adjustment theories on the success of the CFA franc devaluation of 1994. The fact that the measure has arguably failed where Cameroon is concerned (in stark contrast to the equivalent West African economy in the zone, Côte d'Ivoire) leaves the IMF and the World Bank mired in a continuing fiscal and economic morass, which they feel they must resolve. Second, any such development would be an even greater reverse for Cameroon's former colonial power, France, which has lobbied ceaselessly in the last two years for a more "understanding" attitude from the USA, aided in this mission by the increasing number of high-profile francophones in the Bretton Woods system. What is being conducted in the guise of the Cameroonian adjustment experiment is a high-stakes domestic and international poker game in which no player yet has a sufficiently strong hand to win outright. This nerve-racking situation can be counted upon to last up to (and probably well beyond) the elections in 1997.

—and growth stalls

There are few prospects that what has been almost completely export-led growth since 1994 will strengthen during the coming year. In fact, merchandise trade projections from the Banque des états de l'Afrique centrale (BEAC, the region's central bank) indicate a declining trade surplus in calendar 1996 compared with 1995, as exports of most major commodities decrease in value (and, in the case of oil, volume). The domestic economy remains in recessionary mode, with limited potential for demand expansion, especially with more public-sector lay-offs expected later this year and the very real possibility of widespread social unrest in the run-up to next year's elections. Despite the EIU's reservations, it is currently accepting the BEAC's figure of 5.2% for real GDP growth in 1995/96, although this would suggest a firmer recovery in calendar 1995 than was previously thought to be the case. Given world commodities trends and the effects of the forthcoming elections, we are forecasting real GDP growth of 3.5% in both 1996/97 and 1997/98. Cameroon undoubtedly has the potential to grow far more strongly, but it would be rash to expect such a development in the short term. Recessionary pressures and Cameroon's continuing membership of the Franc Zone will keep inflation low, at a fiscal-year average of 6% in 1996/97 and 3% in 1997/98.

Economic tracking is improving—

The inconsistency and confusion surrounding the tracking of the Cameroonian economy in recent years is both a symptom and an eloquent symbol of the country's descent into the economic mire. The fact that the statistical picture has become clearer recently may therefore indicate that the worst is in some respects over. The recently released Franc Zone report and the latest editions of BEAC's *Etudes et statistiques* concur quite impressively where growth and exports are concerned. Although the BEAC numbers broadly confirm what we suspected as far as recent historical trends are concerned, many of the nominal figures have changed and this is reflected in the forecast summary table and the economic structure page of this report. However, there is still little cause for statistical complacency and we remain cautious about this material, preferring for the moment to classify much of the data merely as official estimates.

—but doubts remain over the numbers

For example, the Banque de France's figure for petroleum exports in 1994/95 is CFAfr293.2bn, which is equivalent to $565m on the basis of the IMF's stated average exchange rates. This is too high, considering the dwindling production levels of the period, Cameroonian crude's discount against world prices and, most importantly, domestic consumption levels. We are confident that this figure will be revised downwards and are using it only for the sake of tabular consistency. The knock-on impact of such a revision on the overall trade (and therefore current-account) balance is unlikely to be beneficial. Anecdotal evidence suggests that the soft commodities revenue figures are more realistic. Thus we accept the Banque de France's trade and current-account figures for 1994/95. (It is notable that the IMF has not published a detailed set of external accounts for any year since 1993.)

The external account will remain feeble—

However, the broad picture is, and will remain, clear: a less than impressive trade surplus for such a relatively diversified exporter in a period of firm prices will continue to be wiped out by enormous invisibles outflows. The BEAC estimates scheduled principal and interest payments on external debt at the equivalent of $1.35bn in 1995/96, without even referring to Cameroon's lamentable arrears situation. The bank also (alarmingly) puts total external debt at the end of 1995/96 at the equivalent of $10.25bn, just over $1bn higher than the previous most pessimistic figure, from the French government, of $9.2bn. (It is not clear how the BEAC calculation is made and it may include export credit guarantees.) Given this situation, there is clearly no way that the current account will return to equilibrium in the forecast period; indeed, the situation is darker than we had previously feared.

—the uncertainty will continue—

The key factor for 1997/98, as with nearly all other aspects of the Cameroonian drama, is relations with the multilaterals. If a fresh ESAF is agreed and does not go badly off-track, there are possibilities for further debt restructuring, which would ease the balance-of-payments pressures. Given that 1997 is an election year, this may seem a pious hope, but we assume that Cameroon will perform just well enough to allow creditors to claim the necessary results to inject further vital funding, limiting the current-account deficit to roughly $425m. Although it is as yet too early to make more than a speculative set of forecasts for 1997/98, we assume a broadly similar picture, with some small improvement where invisibles are concerned, resulting in a current-account deficit of roughly $300m, financed as usual by aid and concessional debt inflows rather than by foreign direct investment. Clearly this situation is unsustainable.

—and Cameroonians face another grim year

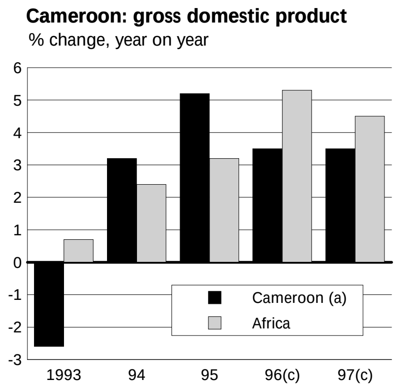
Between the proverbial rock and a hard place, then, is where Mr Biya currently finds himself. By focusing all his attention on his own survival, he risks alienating for good the two institutions that hold the key to unlocking desperately needed financial flows and debt restructuring. With the cupboard bare, arrears are continuing to mount, putting the economy in an ever more precarious position. However, if Mr Biya leaves his opponents alone to wage a fair campaign and concentrates instead on fulfilling the tough Bretton Woods conditions (many of which bear a heavy social cost in a country that has already seen one of Africa's worst-ever collapses in prosperity), he is near-certain to lose not only control of parliament, but the presidency itself. That, to Mr Biya, is an unacceptable price to pay, even for a healthy economy; grim days lie ahead for Cameroon.

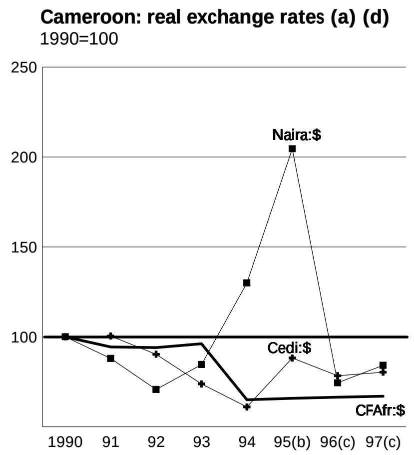
Cameroon: forecast summary

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

	1994/95[a]	1995/96[a]	1996/97[b]	1997/98[b]
Real GDP growth (%)	3.2[c]	5.2[c]	3.5	3.5
Consumer price inflation (%)	26.9[c]	8.0[c]	6.0	3.0
Merchandise exports	1,963	1,932	1,850	1,900
of which:				
timber	296	310[d]	340	350
petroleum	565	375[d]	325	250
cocoa & coffee beans	235	230[d]	180	190
Merchandise imports	1,194	1,296	1,200	1,250
Current-account balance	–390	–568	–425	–300
Average exchange rate (CFAfr:$)[e]	519	502	512	508

[a] Official estimates. [b] EIU forecasts. [c] Actual. [d] EIU estimate. [e] Extrapolated from IMF quarterly average figures and EIU quarterly forecasts.





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

Review

The political scene

Political survival is the dominant issue—

Not surprisingly, the current (and likely to remain so) consuming preoccupation of the president, Paul Biya, is political survival, with the spectre of legislative and presidential elections looming in 1997. All decisions of state, ranging from the government shake-up of September 19 to efforts aimed at getting back into the IMF's and World Bank's good books and resuming the donor cashflow, are currently filtered through this lens. The president and his ruling party, the Rassemblement démocratique du peuple camerounais (RDPC), have gone some way toward cleaning up their image with key new appointments. However, a deeper motivation no doubt lies in securing existing alliances and driving wedges into the fractious opposition in the critical months before the elections.

—as even the OAU takes a back seat

Even Mr Biya's long-sought, high-profile role as "president of Africa"—having acceded to the chairmanship of the Organisation of African Unity (OAU) at the 32nd summit in Yaoundé in July—has been subordinated to domestic political concerns. A standard address to the UN's General Assembly as OAU chairman, although rumoured for weeks, did not materialise during the UN's annual general debate, which closed on October 11. According to insiders, the president was more preoccupied with participating in an RDPC conference in Yaoundé. Mr Biya also wanted to plead his government's case for a resumption of Bretton Woods financing with a visiting World Bank delegation in mid-October. Mr Biya finally addressed the UN General Assembly and the assembled African ambassadors to the organisation in late October. The speech was received with some apathy.

The government is changed—

The government reshuffle on September 19 (the 22nd in 14 years) was motivated by two factors. First, there was the desire to "seduce" Cameroon's multilateral lenders, as one local newspaper put it, with IMF and World Bank programmes currently suspended (see The economy). However, if that was the intention, Mr Biya miscalculated yet again: rather than slimming down the government, in line with longstanding World Bank/IMF demands, the reshuffle actually increased the cabinet's size by one portfolio, creating a new ministry of *contrôle supérieur*, a species of auditor-general. The new government thus has no fewer than 72 persons with the rank of minister or vice-minister.

—in pre-election manoeuvring—

Second, the reshuffle, in which both a new prime minister and cabinet were named nearly simultaneously (in contravention of the law, which specifies that the prime minister appoint the government), clearly bore Mr Biya's political imprint. The replacement of the outgoing prime minister, Simon Achidi Achu, who comes from the critical North West Province, stronghold of the main opposition party, the Social Democratic Front (SDF), with a well-respected civil engineer, Peter Mafany Musonge, aged 54, from the anglophone South West, resonated with political symbolism. Mr Achidi Achu had been rumoured to be on his way out since the municipal elections in January (2nd quarter 1996, pages 8-11) for having failed to achieve what he was appointed to do; neutralise the SDF's influence in his home territory.

—with a technocrat as the new prime minister

In fact, the North West was all but written off as a lost cause in the reshuffle. Mr Musonge, for eight years general manager of the Cameroon Development Corporation (CDC, the second largest employer after the state itself, with a 15,000-strong labour force, and on the list for privatisation), is the highest-ranking government official to come from the South West under the Biya presidency. In addition to improving chilly relations with the World Bank and the IMF, Mr Musonge's appointment, Mr Biya no doubt hopes, will weaken South Western support for John Fru Ndi's SDF. In the new prime minister's Fako division, the SDF won four of the five councils in January's election, losing the fifth to the RDPC by a mere 13 votes. However, 69% of the municipal representatives in the province as a whole are RDPC, with 31% SDF (2nd quarter 1996, page 11; map). Mr Biya is also trying to play on South Westerners' resentment of the Bamiléké of the North West (the SDF's core province), who are seen as culturally and economically expansionist. His calculation may prove astute: the mood in the provincial capital, Buea was ebullient when Mr Musonge's appointment was announced. One long-time resident said it had "put an end to more than 25 years of marginalisation and corruption that we have been victims of. There is reason to celebrate!"

New ministers favour reform—

More important for the country's future is the ability of Mr Musonge and his new team at the Ministry of the Economy and Finance (Minefi) to push through the reforms needed to reignite creditor interest. The new prime minister enjoys a good reputation from his years at the CDC and is known as a competent administrator disposed to economic reform. In a radio address in mid-September he pledged that the recovery of the economy will be his government's priority. "The task ahead of me is enormous", he said, referring to his stated goal of winning a new IMF Enhanced Structural Adjustment Facility (ESAF) by January 1997.

—and are expected to be more effective

Mr Musonge will need all the help he can get to do so. The replacement at Minefi of Justin Ndioro, once the golden boy of international creditors, with

Edouard Akame Mfoumou is also seen as a good sign. A well-respected former secretary-general at the presidency and minister of defence, Mr Mfoumou, like Mr Biya, is a Bulu from the Beti ethnic group in the south and hence enjoys close relations with the president. Mr Ndioro, on the other hand, who becomes minister of industrial and commercial development, was increasingly seen as an ineffective political outsider who lacked the necessary clout to pressure recalcitrant ministers to implement agreed reforms.

Dr Edzoa is removed—

Another controversial figure, Titus Edzoa, the powerful secretary-general at the presidency who became symbolic of the corruption and ineptitude of Mr Biya's administration, was removed from the palace and named minister of public health in a clear demotion. Dr Edzoa was replaced by Amadou Ali, who has held a variety of government posts, including secretary of state for defence. Significantly, Mr Ali hails from the Far North, one of Cameroon's most populous provinces, with more than 1 million inhabitants. The area is a key axis of RDPC support and is a counterweight to the influence in northern Cameroon of Bello Bouba Maigari's Union nationale pour la démocratie et le progrès (UNDP), the largest opposition party represented in parliament.

—as the Intelcam deal is nullified

Dr Edzoa, formerly Mr Biya's private doctor, was the mastermind of the highly controversial debt-for-equity deal in June in which France Télécom gained a controlling stake in Intelcam, Cameroon's state telephone company (3rd quarter 1996, page 14). The deal was criticised by many, including the World Bank, and was carried out in the face of strong opposition from the post and telecommunications minister, Dakole Daïssala, who called it the "cut-price sale of Cameroon". Bearing "all the hallmarks of those who run Cameroon as if it were their own family property", as a prominent RDPC member, Albert Dzongang, put it, the deal was suspended in September.

Alliance partners are rewarded—

Members of parties in a parliamentary alliance with the RDPC held on to their posts, including Mr Daïssala of the Mouvement pour la défense de la république (MDR), which in June threatened to split with the RDPC over the manner in which the 1996/97 budget was presented. Augustin Frédéric Kodock of the Union des populations du Cameroun (UPC), retained the agriculture portfolio. The UPC is currently divided into two factions, with Mr Kodock's the weaker, holding only two of the party's 18 seats in parliament. Mr Biya, however, may be banking on Mr Kodock's reconciliation with the other faction, led by Ndeh Ntumazah. Also retained in the cabinet was Hamadou Moustapha (housing and town planning), who was expelled from the UNDP because of his participation in the Achidi Achu government and then formed his own weakly supported Alliance nationale pour la démocratie et le progrès (ANDP).

—as are Biya loyalists—

Mr Biya's opponents may be least happy about the appointment of Philippe Menye Me Mve, governor of West province, as minister-delegate at the presidency in charge of defence, and the retention of the controversial Gilbert Andzé Tsoungui as minister of territorial administration: both of these appointments presage an uncompromising approach to the coming elections. Mr Menye Me Mve, who is said to have been rewarded with this post for his repression of government opponents in West province, will be responsible for the dreaded *gendarmerie*, which can be expected to intensify its harassment of the opposition in the run-up to the elections. In particular, Mr Menye Me Mve is believed to have been behind the recent kidnapping of the SDF mayor of Bafoussam; his promotion was punningly interpreted in a local newspaper as "couronné pour sévices rendus"—"crowned for torture rendered".

—including the election organiser

Mr Tsoungui, considered one of Mr Biya's most repression-minded ministers, is notorious for having organised the last three elections in Cameroon (parliamentary in March 1992, presidential in October 1992 and municipal in January 1996) in a less than transparent manner, with doses of creative vote-massaging in each case. As minister, he also heads a hierarchy of administrative officers, some with the power, used widely against opposition supporters, to detain people for up to 15 days, renewable indefinitely. Mr Tsoungui is also strongly in favour of press censorship.

Journalists are jailed—

Judging by past government behaviour, censorship is likely to be strengthened in the coming months. Two journalists were sentenced to prison in early October for an article deemed defamatory of Mr Biya. Pius Njawe, the editor of the weekly independent paper *Le Messager*, was sentenced to six months in jail by the court of appeal in Douala, along with his colleague, Eyoum Ngangue, from the satirical supplement *Le Messager Popoli*, who received a one-year sentence. Mr Njawe commented that the sentence was part of the "permanent harassment we have suffered for 17 years" and added that "a thousand trials will not silence us". Meanwhile, in mid-August Paddy Mbawa, publishing director of another independent title, the *Cameroon Post*, was released after 11 months in jail, also on charges of defamation, but warned that he faces an additional seven trials. He has been prosecuted in 14 different cases since May 1995.

—while some opponents are released

More than 40 SDF supporters, who were arrested in March and April following demonstrations against the appointment of government representatives to municipal councils won by the opposition party (2nd quarter 1996, pages 10-11), were released in late June. In late September as many as 200 students arrested in June during disturbances at the University of Yaoundé were freed from prison, although some were reported to have been charged with criminal offences.

Teachers strike for better pay

Meanwhile, in yet another sign of deteriorating social conditions, the three main teachers' unions went on strike over salary arrears and low wages, to coincide with the beginning of the school year on September 12, and threatened "intermittent strikes" every other week after September 30 and a boycott of the end-of-trimester exams. A reported offer of a CFAfr22,000 ($43) per month salary increase per teacher was rejected as "insufficient", according to the general secretary of the National Organisation of Teachers of Cameroon, Njoh Mbongue Luison. He reminded journalists that teachers' salaries were cut by 70% in 1993 and that they were owed two months of back pay from the same year. The arrears were reportedly later paid.

The SDF leader goes travelling—

The SDF, too, faces some tough days ahead. In late September, according to a report in an English-language paper, the *Herald*, all ten provincial governors agreed to prevent the SDF from contesting the legislative and presidential elections if the opposition party continued to resist cooperation with government delegates appointed to the local councils. All SDF councillors would be dismissed from their posts first, they agreed. Mr Fru Ndi, meanwhile, has continued to press his case, during visits to the USA, Canada and Europe in September, for the establishment of an independent commission to monitor the 1997 elections.

His pleas fell on well-disposed ears at the US State Department in Washington; however, officials remarked privately that the likelihood of such a commission being established was remote in light of Mr Tsoungui's reappointment as minister of territorial administration. The US government had been advocating a commission for some time, but will now focus on the training of 1,200-2,000 local election observers. These, in addition to international observers, it is hoped, will be able to sound the alarm when the expected manipulations take place. Mr Fru Ndi also visited the UN to attend a conference of social democratic parties, and met World Bank officials and locally resident Cameroonians during his visit.

—but has done little to foster unity

After a strong showing for his party in January's municipal elections, however, Mr Fru Ndi seems in no hurry to strike deals with parties which might strengthen the opposition's hand in the upcoming polls. While some marginal parties have recently joined the SDF fold, Mr Fru Ndi has been presenting himself as enjoying enough national stature to be the logical chief challenger to Mr Biya. He risks playing into Mr Biya's hands by allowing ego to supersede strategic thinking. There are rumours that Mr Maigari and his UNDP may be enticed back into the president's alliance, and the anglophone population is far from solidly behind Mr Fru Ndi. The Southern Cameroons National Council (SCNC) continues to advocate secession, and has launched a campaign for anglophone voters to boycott enrolment on the electoral register, a move attacked by Mr Fru Ndi as "separatist machinations".

Bakassi peace moves are afoot—

According to a report in *Le Messager* in late July, there is speculation that the Nigerian government, still embroiled in a dispute with the Cameroonian authorities over the oil-rich Bakassi peninsula, may be encouraging the secessionist sympathies of the SCNC and the Cameroon Anglophone Movement (CAM). Meanwhile, continuing diplomatic efforts to resolve the dispute have yet to bear fruit, although the febrile nature of the exchanges between the two governments has lessened considerably. The Nigerian head of state, General Sani Abacha, in his independence anniversary speech on October 1, said that "ultimate solutions will be found in dialogue and peaceful negotiations rather than a recourse to the use of force". For his part, the Cameroonian foreign minister, Ferdinand Léopold Oyono, has said that a bilateral withdrawal of military forces from Bakassi "might make it possible to rebuild confidence between the two countries".

—but the UN appears indecisive

Not much was expected to come of the UN goodwill mission which visited the disputed area, as well as Abuja and Yaoundé, in September amid charges and countercharges of new attacks. UN officials were unusually tight-lipped about the four-person team's report, whose contents went directly from the drafters to the UN secretary-general, Boutros Boutros-Ghali, and were presented to him in only an abbreviated, vaguely worded, form. Mr Boutros-Ghali's re-election campaign may have something to do with the evasiveness. Not anxious to antagonise any African government at this delicate moment, the secretary-general is likely to let the report gather dust until his future status is determined. The mission leader, Omar Halim of Indonesia, told reporters the mission was "extremely useful" in "soliciting measures to decrease tension", and said both sides seemed determined to resolve the dispute "peacefully".

Rwandan extraditions are stalled

Mr Biya continues to dither over the extradition of suspected Rwandan war criminals. In early October the registrar of the International Criminal Tribunal on Rwanda, Andronico Adede, left Cameroon accusing the government of dragging its feet over the handover for trial of four genocide suspects. Mr Adede arrived in Cameroon to arrange the transfer to Arusha of the four suspects, including a former army colonel, Théoneste Bagosora, but left after failing for three days to be granted a promised appointment with the new justice minister, Laurent Esso. The Cameroonian courts have already ruled that the tribunal has the right to extradite Mr Bagosora and 11 others being held in the country, and Mr Adede has warned that Cameroon risks the imposition of UN sanctions by the UN if it does not comply. Officials said the handover required Mr Biya's personal approval.

The economy

A cool reception in Washington—

The cabinet changes in mid-September, while greeted as positive in Washington, did not have an immediate impact on the views of the IMF and the World Bank, as was perhaps hoped for by the president, Paul Biya, and his associates. In fact, according to Bretton Woods insiders, the new finance minister, Edouard Akame Mfoumou, who led the Cameroonian delegation's hat-in-hand visit to Washington in late September for the World Bank/IMF annual meeting, was said to be stunned by the coolness of his reception. At the Bank, a request for the release of one of the two remaining frozen tranches of the $150m Structural Adjustment Loan (SAL) was rejected with a reiteration of Cameroon's failure to meet the one basic condition of all SALs, namely "satisfactory macroeconomic performance".

—as performance remains unsatisfactory—

Bank sources cited continuing difficulties on the fiscal front: overspending on defence connected to the Bakassi dispute, on the Organisation of African Unity (OAU) summit and on the municipal elections; revenue shortfalls due primarily to inadequate tax and customs collection; and failure to reduce arrears to the Paris Club of official, bilateral creditors. In addition, slow progress on longstanding structural conditions (privatisation of state-owned corporations and reforms to the civil service and banking) remained obstacles.

—and conditions are not met

The Bank's adjustment lending will not resume until Cameroon's performance has been rated satisfactory, but for that to occur the IMF must first affix its seal of approval in the form of an Enhanced Structural Adjustment Facility (ESAF). During the Cameroonian delegation's visit in September, hopes of nailing down an ESAF were equally dashed. Cameroon's $101m stand-by programme with the IMF, agreed in September 1995, was converted to a non-disbursing "staff-monitored programme" as of July 1, after only two tranches were drawn. With four failed IMF programmes behind it, along with a not-insignificant amount of creditor scepticism, Cameroon now faces several hurdles before being given a medium-term ESAF, granted on more concessional terms but with even tougher conditionalities than those of the stand-by which, it cannot be forgotten, it failed to meet.

The IMF will come calling—

An IMF team was due to visit Cameroon in November to determine whether the shadow programme was "on track". If its targets have been met, the process toward attaining the ESAF could begin, first with the negotiation of a policy framework paper (PFP). Essentially a strategy paper, the PFP contains all the conditions set by the World Bank and the IMF for their adjustment lending. According to the Paris-based fortnightly *Jeune Afrique économie*, the Cameroon authorities have already drafted and submitted a letter of intent to the IMF, enumerating quantitative targets they pledge to meet. These include: an annual average growth rate of 5% for 1996-2000, an annual average inflation rate down to 2% and a stabilisation of the current-account deficit at 2% of GDP.

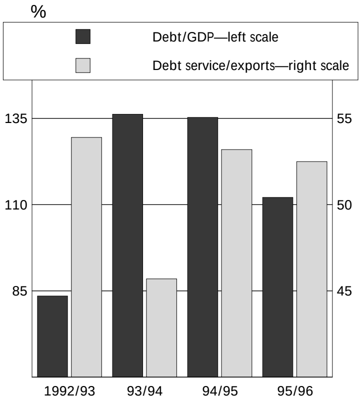
—but public finances must improve

Meeting these targets will depend on substantial improvements in public finances: revenue stood at CFAfr655bn ($1.3bn) in 1995/96 (less than the CFAfr707bn budgeted), while expenditure was CFAfr37bn in excess of budget. Another problem is that with a weak budgetary position and less external support than anticipated, Cameroon has continued to accumulate arrears. Neither has customs and tax revenue kept pace with previously agreed targets; the government will issue a report before December on the performance of the Société générale de surveillance (SGS), a private company it engaged in February to improve customs collection.

Structural reforms are promised, but the debt overhang will persist—

On outstanding structural issues, according to *Jeune Afrique économie*, the letter of intent contains a pledge to keep annual salary increases in the public sector at under 6.5% and to continue trimming civil service employment rolls. An additional 1,200 employees from nine ministries will be made redundant on top of the 3,200 released as of June 30, and eight other ministries are reportedly to be cut back by the end of October this year, instead of June next year as originally planned. A new list of state enterprises to be privatised will supposedly be made public before the end of December.

Cameroon: the debt overhang



Source: Banque des états de l'Afrique centrale, *Bulletin du marché monétaire zone BEAC*.

Nonetheless, World Bank sources indicate that the earliest an ESAF could be concluded would be the first quarter of the new year. That will shelve a major rescheduling of Cameroon's massive debt until at least late 1997; the Banque des états de l'Afrique centrale (BEAC, the regional central bank) estimated total external debt at $10.2bn at the end of 1995/96 (July-June). The EIU currently estimates that Cameroon's debt equals an estimated 371% of exports of goods and services, with debt servicing due accounting for some 51% of the budget. While some bilateral reschedulings have taken place within the framework of the Paris Club agreement of November 1995, the amounts involved, including $13m rescheduled by the USA, have been fairly insignificant, with little impact on the overall picture. In mid-August Germany reached an agreement to reschedule $250m over 25 years, with a 16-year moratorium on repayments. However, Cameroon must pay its arrears to the Paris Club from a preceding agreement in 1994 before the new measures can take effect.

Banking remains in crisis—

In addition, Cameroon is one of 36 countries worldwide to have suffered what the IMF classifies as crises in their banking systems since 1980. Restructuring of the banking sector remains a key demand of the World Bank, but recent studies undertaken by it and by the Caisse française de développement (CFD, the French state development bank) have indicated little progress since 1989, when restructuring began. Of a total of CFAfr565.4bn in loans outstanding on October 1, 1995, as much as one-third is considered unrecoverable. Government arrears are a critical part of the problem: in early September about CFAfr4bn was released to commercial banks by the government out of a total CFAfr180bn owed.

—as failures continue—

Bank failures continue. In mid-September the Commission bancaire de l'Afrique centrale (the regional banking supervisor) announced that Banque Meridien BIAO Cameroon had been placed in liquidation after failing to find a buyer following the collapse of its parent company, Meridien International Bank, in May 1995. Meridien Cameroon was one of the country's largest banks, with CFAfr110bn in deposits.

—and depositors panic

In early October a commercial bank, Crédit agricole du Cameroun, created by the government and the then Federal Republic of Germany to encourage investment in the agricultural sector, was hit by a financial crisis. The Ministry of the Economy and Finance (Minefi) issued a formal denial that it was planning a liquidation or closure of the bank, rumours of which had caused large-scale withdrawals in the preceding weeks. Such is the rocky state of Cameroon's banking sector that the denial only exacerbated the panic, with clients attempting to close their accounts and claiming to be unable to withdraw even small amounts. The government daily newspaper, the *Cameroon Tribune*, attempting to calm the public, reported that the bank was in sound financial condition, citing a recently granted CFAfr10bn loan from the African Development Bank as evidence.

Slow progress on privatisation—

There was little, if any, progress during the past quarter on privatisation, the slow pace of which the World Bank and the IMF have repeatedly criticised. According to the usually well-informed, Paris-based *La Lettre du continent*, there are several interested buyers for some of the more attractive assets. However, as the Intelcam sale and its later reversal demonstrated (see The political scene), negotiations are frequently carried out in a less than transparent manner. Another example is the state rubber firm, Hévéa-Cameroun (Hevecam), 90% of which was put up for sale in June. After a protocol agreement was reportedly signed with Indonesian interests, the French group Michelin, with the support of the CFD, began lobbying the Cameroonian authorities, which then held up the Indonesian deal. The Indonesians threatened recourse to international courts of law.

—and fuel prices go up—

To help to cover a budgetary shortfall in petroleum revenue, in early September the government announced an expected 6% increase in the price of pump petrol. This was the fourth such increase in three years, more than doubling the rates of 1993. The price of petrol was increased from CFAfr340/litre ($0.66) to CFAfr360/litre, and diesel from CFAfr255/litre to CFAfr275/litre. The increase was to have come into effect in July with the new budget, but the government reportedly delayed it so as to avoid any potential unrest during the OAU summit. The rise was justified as bringing Cameroon's fuel prices in line with the marketplace.

—as the oil monopoly is phased out

The Société nationale de raffinage (Sonara, the state oil refiner) has been purchasing crude oil at world prices since March this year, when the Société nationale des hydrocarbures (SNH, the oil parastatal) stopped supplying crude at subsidised rates. As of January 1997 the monopoly held by SNH on crude oil supplies to the refinery will end. Other companies will be allowed to compete, with the effect that domestic petrol prices will adjust to world markets. These measures are in line with IMF conditions to liberalise the oil sector, which previously dominated the Cameroonian economy.

The economy remains in recession—

With crude oil production expected to remain on a downward trend from the current level of approximately 90,000 barrels/day, despite the development of marginal fields (see Energy and industry), and world prices for its major export crops also expected to decline, Cameroon is now essentially a non-oil economy increasingly dependent on internal demand to drive growth. Yet the economy remains in recession due to insufficient purchasing power to fuel domestic demand. Furthermore, there is a very real possibility of social unrest during the upcoming election year, with a further dampening effect on growth.

—as growth slows

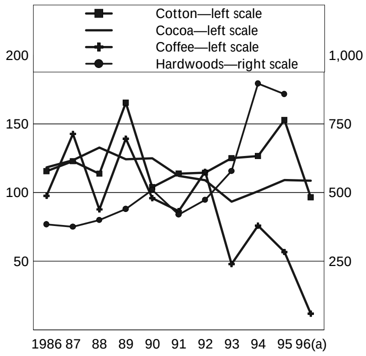
For these reasons, the EIU now forecasts real GDP growth of 3.5% in fiscal 1996/97, with a similar figure in 1997/98. According to well-placed observers, even the government has revised downwards its target of 5% growth for 1996/97 to around 4.7%. The country's principal business forum, GICAM, has predicted a growth rate of 3.4% for 1996/97, and an inflation rate of 8% compared with the government's target figure of 6.3%. The EIU is slightly more optimistic.

Agriculture and forestry

Cocoa production is up but demand may fall

Cameroon's major commodities continue to post higher production and export figures but world prices, particularly for tropical beverages, may not work in their favour. Cocoa prices are likely to suffer from a production surplus for 1995/96, with larger than average crops in the largest producers (Brazil, Côte d'Ivoire and Ghana) as well as in Cameroon. The managing director of Cameroon's National Cocoa and Coffee Board, Hope Sona Ebai, estimates Cameroon's 1995/96 cocoa crop at 132,000 tons, compared with an earlier forecast of 120,000 tons, but adds that production should now be capped at 120,000 tons/year (t/y) until 1999, when the current five-year agreement of the International Cocoa Organisation (ICCO) expires. West African cocoa production is expected to be down by 10-15% in 1996/97, but this will still leave the regional harvest at very high levels.

Cameroon: soft commodity production
'000 tons



(a) February.
Source: Banque des états de l'Afrique centrale, *Etudes et statistiques*.

New investment in the sector has not been forthcoming, according to Mr Ebai, because of high start-up costs, the growing emphasis on crop diversification, market liberalisation and the abolition of farm subsidies. Cameroon's output is also affected by ageing, unproductive, tree stock and years of neglect. In addition, African producers are likely to suffer when discussions within the EU are concluded to allow an increase in the use of vegetable fats in chocolate as a substitute for cocoa butter. A drop in global demand for cocoa of 200,000-250,000 t/y could result, costing producer countries some $600m annually.

The EU, meanwhile, has granted Cameroon a CFAfr10.7bn ($21m) loan to finance the improvement of 2,000 km of rural roads in the cocoa-producing regions of the south. During the rainy season, the roads often become impassable. It has also given a grant of CFAfr4bn to rehabilitate roads in the Kousseri region in Far North province which link the country to Chad, in order to facilitate regional travel.

Robusta coffee shows an increase—

Official sources quoted by the *International Coffee Report* (published by F O Licht, the Hamburg-based commodities house) forecast coffee production to reach 1.083 million 60-kg bags in 1995/96 (October to September), of which 1 million bags are robusta and 83,000 bags arabica, compared with 833,000 bags and 114,000 bags respectively the previous year. World prices, however, remain volatile, and the added production is not likely to result in increased revenue. There is also a trend of reduced returns due to the increasingly poor quality of both coffee and cocoa. Cotton, bananas and hardwood have been registering strong performances, however, partially offsetting the difficulties in the coffee and cocoa sectors.

—and rubber is expanding strongly

Cameroon has signed a draft agreement with the seven-member Association of Natural Rubber Producers in Africa to carry out research programmes to increase rubber production so as to enable African producers to compete better with Asian countries. The association's laboratory based in Ekona, Cameroon, will create a guarantee label for natural rubber, and Cameroon will invest CFAfr2.6bn in equipping laboratories and training personnel to improve rubber quality controls. Natural rubber production is on an upward trend: from 38,000 tons produced in 1990, Cameroon is expected to produce 60,000 tons in 2000.

Energy and industry

Marginal oilfields are being exploited—

Apparently in response to legislation last year to lower taxes on the development of marginal oil fields, the Perenco company has, according to the industry press, finalised an agreement to develop the Kribi fields. Production is to begin in early 1997 and is expected immediately to reach 12,000 barrels/day (b/d). The Asoma-Sud field discovered last year is scheduled to be put into production in late 1996, turning out 2,000-3,000 b/d. Elf Serepca and Pecten Cameroun each hold a 25% share, with the Société nationale des hydro-carbures (SNH, the oil parastatal) holding 50%. Given the declining outputs of most longer-established fields, however, these new flows will make relatively little net difference to average production in 1996, which the EIU forecasts at roughly 90,000 b/d.

—and Chad denies the pipeline deal is off

Meanwhile, Chad's foreign minister, Saleh Kebzabo, denied rumours in late September that the Ndjamena government had submitted to pressure from a Franco-Congolese lobby to have the oil pipeline link from Chad's Doba Basin project run to Pointe-Noire, Congo, instead of Kribi, Cameroon, because of the latter country's "political instability". "The two countries have signed an accord", the official said, "and we are advancing resolutely toward the concretisation of this project".

Foreign trade and payments

The trade surplus is down—

The regional central bank, the Banque des états de l'Afrique centrale (BEAC), has published merchandise trade figures which point to a near doubling of the trade surplus between fiscal 1992/93 and 1994/95, from CFAfr173.1bn to CFAfr398.8bn. However, the balance is estimated to have weakened to CFAfr319.2bn in 1995/96, reflecting declining exports in value terms—down from CFAfr1.02trn ($1.96bn) in 1994/95 to CFAfr969.6bn in 1995/96—and a growing import bill, up from CFAfr619.4bn in 1995 to CFAfr650.4bn in 1996. Much of the drop in exports can be explained in terms of declining crude oil production, a trend which will continue despite the opening up of previously unviable marginal fields.

—as export-led growth softens—

While there are still some variations between the figures supplied by BEAC, those of the Ministry of the Economy and Finance and those from international bodies such as the IMF and the Franc Zone secretariat at the Banque de France, all statistics confirm an increased emphasis on export-led recovery after the 50% devaluation of the CFA franc in 1994, but declining export revenue for oil (see above), cocoa and coffee in 1995/96, with only cotton and "other exports" (probably dominated by textiles and light manufactures) on the increase.

—and invisibles outflows remain huge

The new provisional figures also confirm the enormous and continuing damage done to the external account by invisibles outflows, which are dominated by massive outflows of scheduled interest on external debt. Total external debt is now put by BEAC at $10.25bn, rendering effective servicing impossible and continuing to hamstring Cameroon's relations with its major creditors. In fiscal 1995/96 the net invisibles account showed a deficit of CFAfr568bn, of which CFAfr340bn was interest and (to a rather lesser extent) dividends. The latter figure is equivalent to 35% of merchandise export revenue even before arrears clearance and principal repayments are taken into account. Debt service on this scale is clearly impossible to pay, and the adoption of a rescheduling package on Naples terms in late 1995 by the Paris Club of Cameroon's official, bilateral creditors has equally clearly done little to alter the situation.

Cameroon: the current account

(CFAfr bn)

	1993/94	1994/95[a]	1995/96[a]
Merchandise exports	825.2	1,018.2	969.6
Merchandise imports	–601.5	–619.4	–650.4
Trade balance	223.7	398.8	319.2
Net services	–438.9	–569.8	–568.5
of which:			
interest and dividends	–291.3	–362.5	–340.0
Net transfers	20.6	–31.3	–31.6
Current-account balance	–194.6	–202.3	–280.9

[a] Estimates.

Source: BEAC, *Etudes et statistiques.*

Central African Republic

Political structure

Official name	République centrafricaine
Form of state	Unitary republic
Legal system	Based on 1986 constitution
National legislature	Assemblée nationale, 85 members elected by universal suffrage serve a five-year term
National elections	August-September 1993 (presidential and legislative); next elections due by August-September 1998 (legislative) and 1999 (presidential)
Head of state	President, elected by universal suffrage to serve a six-year term
National government	The prime minister (nominated by the president) and his nominated Council of Ministers; the government is dominated by the MLPC. Last cabinet reshuffle: June 1996
Main political parties	The presidential majority includes: Mouvement pour la libération du peuple centrafricain (MLPC); Parti libéral démocrate (PLD); Convention nationale (CN); Mouvement d'evolution sociale de l'Afrique noire (MESAN) and the Rassemblement démocratique centrafricain (RDC). The seven member parties of the opposition Conseil démocratique de l'opposition centrafricaine (Codepo) alliance include: Alliance pour la démocratie et le progrès (ADP); Front patriotique pour le progrès (FPP); Mouvement pour la démocratie et le développement (MDD, formerly Mouvance David Dacko).

	President	Ange-Félix Patassé
	Prime minister, minister of economy, finance & planning	Jean-Paul Ngoupande (independent)
Key ministers	Civil service, labour & social security	Eloi Anguimate (CN)
	Commerce, industry & agriculture	Joseph Agbo (MLPC)
	Communications	Maurice Amaye (MESAN)
	Defence	Jean Mette Yapende (MLPC)
	Education	Albert Mberio (MLPC)
	Energy & mines	Renaldy Sioket (RDC)
	Foreign affairs	Michel Gbezera-Bria (MLPC)
	Health & population	Cécile Fara Frond (RDC)
	Justice	Aristide Sokambi (independent)
	Parliamentary relations	Michel Docko (independent)
	Post & telecommunications	Théophile Touba (RDC)
	Public service & employment	David Dofara (independent)
	Public works	Dieudonné Beket (MLPC)
	Territorial administration & national security	Jean Wilbiro Sacko (independent)
	Tourism & the environment	Daniel Emery Dede
	Transport	Eloi Anguimate (CN)
	Water, forests & the environment	Pierre Lakouetene (RDC)
BEAC governor	Jean-Félix Mamalepot	

Economic structure

Latest available figures

Economic indicators	1991	1992	1993	1994	1995
GDP at market prices CFAfr bn	397	365	354	483	582
Real GDP growth %	–1.0	–2.6	2.6	3.9	4.7
Consumer price inflation %	–2.9	–1.4	–2.9	24.6	19.4
Population m	3.00	3.08	3.16	3.30	3.40
Exports fob $ m	126	116	132	150	181
Imports fob $ m	179	189	158	139	176
Current account $ m	–62	–83	–13	18	–9
Reserves excl gold $ m	103	100	112	210	234
Total external debt $ m	805	826	885	891	n/a
External debt-service ratio %	8.4	8.4	4.9	12.5	n/a
Diamond production ’000 carats	430	414	495	529	484
Seed cotton production[a] ’000 tons	26.3	12.0	15.9	27.5	32.0[b]
Timber production ’000 cu metres	179	211	311	299	325
Exchange rate (av) CFAfr:$	282.1	264.7	283.2	555.2	499.2

October 25, 1996 CFAfr514.3:$1

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

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

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

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

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

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

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

Outlook for 1997-98

Mr Ngoupande lacks the clout to run for president—

There is already speculation that the reforming prime minister, Jean-Paul Ngoupande, might challenge the incumbent president, Ange-Félix Patassé, at the next presidential election, due in 1999. Since his appointment in June the prime minister's popularity has climbed because of the way he has confronted Mr Patassé and tried to improve government and services, but his core support is still to be found among Bangui's small intellectual community—and that is probably not a sufficient base from which to launch a serious presidential bid. As a technocrat who was previously working abroad, Mr Ngoupande lacks the patronage base and structures of regional influence which would allow him to match Mr Patassé's populist strength. Also, launching his own political party and building up such networks of influence might mean throwing away the independence and the commitment to clean and effective government which is his main potential appeal to the voters. Moreover, his popularity could in any case fall away again as the austerity measures he is driving through begin to bite hard.

—and French support is a double-edged sword

France recently appointed a new ambassador, Jean-Marc Simon, to the Central African Republic (CAR); he is regarded as a reformist and seen as Paris's key man in supporting Mr Ngoupande in the battle for influence against allies of Mr Patassé. However, the support of the French is a double-edged sword for the prime minister; the French were unpopular in the CAR even before Paris decided that armed intervention was necessary to safeguard Mr Patassé's government from rioting army mutineers in May. If structural adjustment begins to cause pain, Mr Ngoupande could find that his reputation as Paris's man will begin to count against him.

Codepo may enter government

On August 2 Mr Ngoupande announced that the seven-party opposition alliance, the Conseil démocratique de l'opposition centrafricaine (Codepo), which had opted not to join his government when it was first formed, would be brought into the administration. However, he did not give a firm date for the move. Codepo signed the interparty protocol of June 5 supporting a core agenda for peace and recovery, but still seems divided between hardliners such as Abel Goumba, Mr Patassé's defeated presidential rival, and others more open to compromise, such as Enoch Derant Lakoué and Timothée Malendoma, both shortlived transitional premiers of the final phase of André Kolingba's regime. Later in August a committee was announced involving government and Codepo members, to agree a common programme to be presented to the Assemblée nationale (legislature). The committee makes sense on its own terms for the government, which needs to build a coalition of support for potentially painful reform measures; it also strengthens Mr Ngoupande's hand vis-à-vis Mr Patassé.

The IMF will look closely before granting an ESAF—

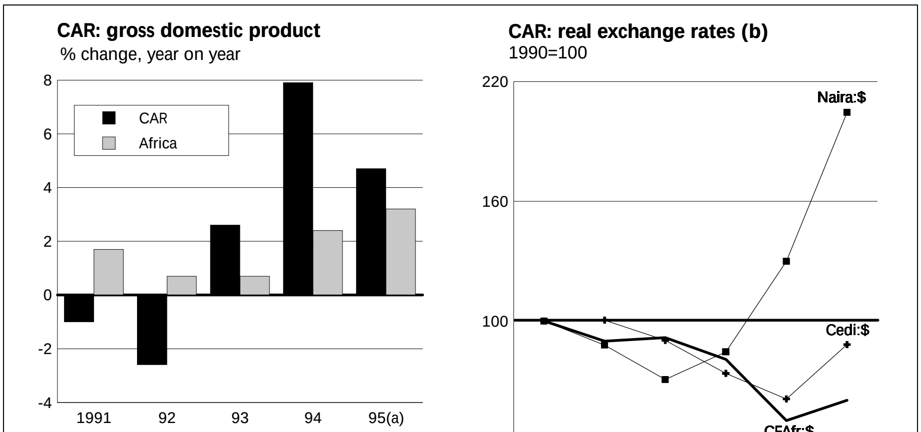
The IMF is waiting to see how much progress the new government makes in stabilising its financial situation and moving on to major policy reforms, before it decides whether to go ahead with negotiations for a three-year Enhanced Structural Adjustment Facility (ESAF). Most other Franc Zone countries already have ESAF programmes in place, and if the CAR fails to secure one it risks missing out on the concerted drive now launched by the major international donors and creditors to achieve a decisive turnaround in the zone's economic performance. An ESAF is the prerequisite for large-scale debt relief, long-term aid and private investment. The IMF is encouraged by the performance of the Ngoupande government so far and there is a fair chance that it can soon reach agreement with the government on a letter of intent, setting out the policy principles on which an ESAF programme would be based. Given the prevalence of corruption in parts of the CAR public sector, encouraging macroeconomic numbers are unlikely to be enough to satisfy the IMF; it will want evidence of effective revenue collection efforts and transparency in state finances.

—and the World Bank will wait on the IMF

The World Bank, potentially one of the two or three main sources, with France and the EU, of aid for the CAR, is waiting to see whether or not the government will be able to agree an ESAF before deciding what level of support to provide. The Bank believes that, given the country's fertility and good rainfall, the CAR has considerable potential for development and could achieve a real economic growth rate as high as 10% per year in the foreseeable future. It also believes that fulfilling this goal will require decisive and credible political leadership, and is therefore waiting to see how successful Mr Ngoupande proves in setting the terms of economic management. If he succeeds in securing an ESAF, the Bank will launch a major (and already prepared) programme of support for wide macroeconomic reform, including substantial structural adjustment funding and balance-of-payments support. Yet if Mr Ngoupande fails to get sufficient control of state finances and is unable to reach agreement with the IMF, the Bank will limit its operations to a programme of sectoral aid targeted at key areas such as health, education and "capacity building" (Bank jargon for training and improving the competence of government and key services).

The BEAC forecasts an increased trade surplus

The Banque centrale des états de l'Afrique centrale (BEAC, the regional central bank) expects an improved trade surplus for the CAR this year. At a time when state finances remain under great pressure and the urban formal economy is struggling to recover from severe mutiny damage, it is worth noting that overall the productive sectors of the CAR economy (primarily agriculture, diamond mining and forestry) are doing rather well and have been little affected by recent political upheavals. The BEAC projects a slightly depressed total of imports for 1996 of CFAfr93.5bn ($182m), down from CFAfr93.8bn in 1995, but a rise of more than 10% in exports, to CFAfr104.8bn, after CFAfr94bn last year. This would produce a surplus on visible trade of CFAfr11.3bn ($22m, after the equivalent of a mere $400,000 in 1995). Meanwhile, the 1995 Franc Zone report from the Banque de France's zone secretariat highlights how macroeconomic performance has improved over the past two years, despite often inept policy choices and financial management by government: real GDP growth last year was 4.7%, while year-on-year inflation was slashed to 5% in December 1995 (after the 44.7% seen the previous year).



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

Review

The political scene

The president and Mr Ngoupande tussle for influence—

Since he took office in June this year, Jean-Paul Ngoupande, the prime minister of the Central African Republic (CAR), has been engaged in a struggle for influence with the president, Ange-Félix Patassé. Mr Ngoupande arrived in Bangui with a reformist agenda and soon made himself clear in a blunt address to parliament, telling deputies that the CAR had to manage its own affairs properly and stop waiting for aid donors' handouts. He warned that public servants would only get paid if it could be shown they had actually turned up for work, and imposed a near-total ban on official travel; the head of the premier's private office, Karim Meckassoua, who has a successful consulting firm in Paris, has visited Paris and Libreville, but at his own expense, travelling economy class.

—as the latter leads by example

The new premier also set a personal example; arriving to find that Mr Patassé's doctor was living in the official prime ministerial residence, he opted to stay with his mother rather than, as widely expected, at Bangui's Sofitel hotel. All this has enhanced Mr Ngoupande's personal standing and given him the clout to get moving on his reform plans. At the same time, it worried Mr Patassé, who saw his own popularity slump as the prime minister's soared. Sensing that Mr Ngoupande was emerging as a potential future rival, Mr Patassé began to fight back. As he recovered the self-confidence deflated by the humiliations of May and June, when his presidency only survived an army mutiny thanks to French military intervention, he started to obstruct the implementation of Mr Ngoupande's agenda.

Public-sector appointments are the battleground

The appointment of key public-sector officials has been at the heart of the struggle for control between premier and president. Mr Patassé made it publicly clear that he would not agree to the removal of political favourites in his ruling Mouvement pour la libération du peuple centrafricain (MLPC) from key public-sector posts. This has been a major problem for the new prime minister. Although Mr Patassé's term of office has certainly seen democratic freedoms respected to a far greater degree than was ever the case under his authoritarian predecessor, General André Kolingba, some of the problems associated with the old regime have continued, most notably corruption and financial mismanagement. The president is an old-style populist-nationalist, who operates through traditional clientelism and patronage. There have been repeated reports of financial mismanagement. Mr Ngoupande's move to replace these political appointees is popular with the voters, particularly Banguissois resentful of the way the president surrounds himself with colleagues from the MLPC and from his home region in the north-west. This very fact makes the prime minister's policy a political threat to the president.

Mr Ngoupande wins a victory at Petroca—

The prime minister won a crucial round in the tussle over public appointments when he finally persuaded Mr Patassé to accept the removal of Simon Kouloumba, chief executive of the fuel parastatal, the Société centrafricaine des pétroles (Petroca). Petroca is a key source of government tax revenue and its failure to pay taxes during the first part of this year led to the crisis in public finances and thus, indirectly, to the mutiny. The government ran out of money to pay army salaries after the company's revenue was apparently diverted. The delicacy of the Petroca affair was highlighted when the editor of the daily *Le Novateur* was charged with defamation in mid-September over an article which criticised the actions of the judiciary investigating misallocations of funds at the company.

Mr Kouloumba was given a job at the presidency. Mr Patassé is assembling a large team of special advisers, mostly drawn from his home region of Ouham Pende. They include a former premier, Jean-Luc Mandaba, and a former finance minister, Emmanuel Dokouna, who was regarded by donors as short-sighted, obstructive and uninterested in reform.

—despite a public fightback by the president

Yet the removal of Mr Kouloumba was only secured five weeks after a bitter public intervention by Mr Patassé. When Mr Ngoupande's plans for Petroca first became known, the president made his views clear in a radio broadcast, declaring that "Ngoupande's government is not one of change" and that ministers should not "look at the aspect of tearing down what has been achieved but rather at...improving [it]". These comments highlight the difference in perceptions between the president and the prime minister. Mr Patassé saw the appointment of the new government as a temporary expedient, the unavoidable price demanded by France for saving him from the mutiny. For Mr Ngoupande and the donors, however, the new government is a means finally to achieve a decisive shift in economic policy and management.

Mr Kouloumba was finally dismissed on September 4, but only after Mr Patassé had personally negotiated a redundancy payment for his protégé of CFAfr56.4m ($109,000). His successor at Petroca is Dogo Nendji Bhé, who is widely regarded as competent and is respected by key donors for his work as economics minister under Mr Ngoupande's predecessor, Gabriel Koyambounou, when he began to lay the ground for the present reform drive. The company is now to be privatised (see The economy). Mr Ngoupande is also expected to try to appoint his own allies to other key posts, such as the directorship of the state debt management agency (CAADE, currently run by Serge Wafio, an MLPC ally of Mr Patassé), the directorship of the customs service (also held by an MLPC man), and the livestock services and finance parastatal, FNEC.

The army holds a conference—

August 19 saw the opening in Bangui of a special conference to discuss the future of the armed forces in the wake of the recent mutinies; the holding of the Army Estates General had been envisaged in June's crossparty protocol, and France and Senegal had assisted with the arrangements. The meeting was attended by 700 people, including Mr Patassé, Mr Ngoupande and a former president, David Dacko. Important foreign representatives made statements, including General Amadou Toumani Touré, whose putsch in Mali in 1991 overthrew the Traoré regime and established enduring democracy. Mr Patassé conceded that the CAR's 2,800-strong army, the 500 gendarmes and the 400 police have to endure poor living conditions. In a first step towards easing military discontent, Mr Ngoupande had already announced on August 14 that the remaining pay arrears owed to soldiers were being cleared. As a prelude to the conference, General François Bozize (once a coup-maker against the Kolingba regime but now inspector-general of the army) carried out consultations among the military over the reforms they thought necessary; his findings were presented to the meeting.

—to find future solutions—

Key proposals included: the establishment of a commission to adapt defence accords with France to present circumstances; equipping the forces with modern weaponry; strengthening the drive to collect weapons scattered among civilians since the mutiny; restructuring the army and defence ministry; and recruiting soldiers on a national basis (as already happens for the *gendarmerie*). Mr Patassé's suggestion of recruitment quotas for each region was rejected. The French reaction to the idea of renegotiating the defence accords was wary: Paris is willing to look at technical details, such as arrangements for training CAR officers, but is reluctant to consider any change to the fundamental principles.

—as discontent flares again

It is clear that, even after the conference, discontent remains extensive within the forces. In late October soldiers of the 400-strong Régiment de défense operationelle du territoire (RDOT), who had staged June's mutiny, were refusing to accept a transfer from Bangui to Bouar, 400 km away, where they would be assigned to combating banditry, which is a serious problem in the countryside. They enjoyed some political sympathy: the speaker of the Assemblée nationale said that the transfer should be cancelled or postponed.

The new French ambassador is a leading moderniser

On September 19 a new French ambassador arrived to take up his post in Bangui. Jean-Marc Simon was formerly head of the private office of the French cooperation minister, Jacques Godfrain, and is regarded as a leading moderniser in French Africanist policy circles. The nomination of such a senior individual shows the importance France is now placing on getting economic reform underway in the CAR and maintaining its presence in the country. The appointment has, of course, also removed Mr Simon from day-to-day Paris policymaking, a fact that is likely to please the old-guard Africanists who have been reasserting their influence in the French government in recent months (see Franc Zone news).

The economy

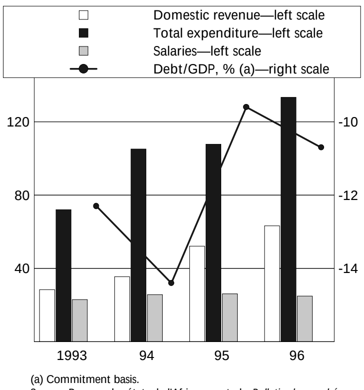
The original budget targets are now impossible—

In preparing his programme of economic reform, the recently appointed prime minister, Jean-Paul Ngoupande, starts from a difficult position. The 1996 budget had aimed to raise revenue by more than 10% above 1995 levels, largely through greater rigour in enforcing customs controls and the imposition of various special taxes. Total spending was supposed to fall by 2.6% to CFAfr139.4bn ($272m); investment spending was budgeted at CFAfr77.9bn, to be funded mainly through foreign aid. However, by August it had become clear that these targets could not be met, because of looting damage at the premises of the main formal-sector tax-paying businesses, and of many smaller shops and workshops, attacked during the mutiny in June.

—as Mr Ngoupande prepares for an IMF programme

During exploratory talks with the IMF and the World Bank after taking office, Mr Ngoupande's government agreed an agenda of initial measures designed to rebuild the confidence of both institutions in the Central African Republic (CAR) and to stabilise finances, in preparation for detailed negotiations over a possible IMF programme based on an Enhanced Structural Adjustment Facility (ESAF). The IMF made it clear that it would wait to see how much progress was made on carrying out this initial shopping list of measures before it took any decisions about new formal support. At the beginning of October the delegate minister for finance (effectively the finance minister), Daniel Nditifei, told the EIU that the Treasury targets agreed with the IMF had largely been met, but conceded that the government was running a little behind schedule on the vital task of improving tax and customs revenue.

CAR: government finances
CFAfr m



(a) Commitment basis.
Source: Banque des états de l'Afrique centrale, *Bulletin du marché monétaire zone BEAC.*

Mr Nditifei said the main reason for the shortfall was the impact of June's army mutiny (3rd quarter 1996, pages 23-26) and looting damage to formal-sector businesses, which provoked a downturn in economic activity and thus in tax revenue. The decline in formal-sector business activity had proved greater than at first thought: in 1995 real GDP growth was 4.7%, but this year the government expects real growth to total only 2%, thanks to the depression of business activity in Bangui. Although these formal-sector operations represent only a small part of total economic activity (much of it unrecorded) in the CAR, they contribute a relatively large share of the tax revenue. However, by September the pace of revenue collection was picking up and officials had hopes that the Treasury position would look better by the time an IMF mission arrived a few weeks later to check on the situation. Even without the effects of the mutiny, domestic revenue collection has been weak in recent years.

BEAC and France help recovery efforts—

Latest estimates by both government and key donors are that the looting destroyed 50% of industrial production capacity and a similar proportion of the formal-sector tax base. The shortfall in tax income is a major contributor to the finance gap in government budget projections, which is forecast at CFAfr12.6bn for 1996. France has reportedly agreed to provide aid to cover this gap, to create a breathing space in which formal-sector business can revive and the government can negotiate a new accord with the IMF.

Meanwhile, many of the French expatriate community who left in the wake of the looting have now returned, while the Banque des états de l'Afrique centrale

(BEAC, the regional central bank) and the Caisse française de développement (CFD, the French state development bank) are helping subsidise loans for businesses affected by looting. The government has also suspended the tax on the distribution of credit. The BEAC subsidy alone is worth 3 percentage points off the market rate, and the combined effect of these measures enables those firms affected by the looting to get credit at 8-9%, compared with a prevailing market rate of 17%.

—a record cotton crop is forecast—

Meanwhile, the main production sectors of the economy, located primarily in rural areas, have continued to perform well, largely unaffected by the upheavals in Bangui. Although the cotton parastatal saw its head office damaged, its production operations, which are mainly sited in northern farming regions, were little damaged. With the country's ginning plants under the management of the Compagnie française des fibres textiles (CFDT, the French cotton parastatal, which has a strong presence in the Franc Zone) since the beginning of this year (under a four-year contract), an increased harvest and improved productivity are expected, while the sector has benefited from CFD financial support. The CAR's 100,000 cotton growers are expected to produce a crop of 32,000 tons of seed cotton in 1995/96 (December-November), and improved ginning performance should transform this into a record lint output of 13,680 tons (compared with 11,548 tons last year).

—and diamond output is set to rise

Diamond output is also beginning to show signs of the assistance provided to modernise artisanal production and of the large-scale operations of Canadian investors. Officially reported output in 1995 was down to 484,252 carats, from 529,800 in 1994, but production this year is on target for a final total of around 560,000 carats. With the price of CAR stones up massively, from $100/carat in 1993 to a hoped-for average of $300/carat this year, the government can hope to see exports from the industry climb to CFAfr56bn, compared with CFAfr45bn last year and CFAfr41.1bn in 1994.

Public-sector pay and staffing are tackled

The government has been pressing ahead with measures to overhaul the public-service payroll, with the aim of bringing the overall wage bill back to a level which can be financed from current revenue. The list of staff is being audited in order to remove "phantom" employees: cases where one person holds salaries for two jobs although they can only do one, where relatives collect salaries of staff who have died, or where those who have retired continue to collect a full-time working salary. By late September 510 names had been removed from the payroll, reducing it to 19,000 names. The IMF originally set a target of 20,000 names for the payroll, but, according to Mr Nditifei, the government expected to have reduced the total to slightly over 18,000 once the audit was complete. The make-up of employees' remuneration is also being reformed in line with a new civil service code which was first set out in 1993. Under the old system, 90% of the salary bill took the form of allowances; this system was notorious for the way it could inflate the wage bill and mount up over time. The decree formally applying the new, reformed, code was signed in February 1994, but effective application only began in January 1996.

Petroca is to be privatised

The state petroleum group, Petroca, is to be fully privatised. The company is a crucial source of revenue for the government, accounting for 30% of domestic revenue. In 1995 it paid taxes as usual, but in the first half of this year nothing was paid and the bill for back-tax stood at CFAfr6bn (see The political scene). The company has suffered from management problems and also from the recovery in the dollar. This raised the cost of buying fuel supplies, but the company failed to pass the extra costs on to users. After the introduction of new management at the end of August, the company began to pay taxes once again. By late September Mr Ngoupande's government had begun talks with potential buyers of Petroca and it hopes to see a sale agreed by the end of the year. Total, Elf, Shell, Mobil, Addax and Texaco are all among international buyers believed to be interested.

Private-sector operators are sought for the power industry—

The government has decided to put the management of the state power company, Enerca, into the hands of an independent operator, and a formal tender invitation for the management contract was issued in September/October. Transferring the management to independent control should help to shield Enerca's finances from the risk of corruption and should enhance efficiency. The tender announcement provoked speculation that South African groups, which are already becoming involved in the power sector in neighbouring Congo, might submit a bid. South Africa's Eskom is keen to develop a power network encompassing utilities throughout the Zaire river basin (which is thinly populated but has huge hydrogenerating capacity and would thus become a major power supply to populous but dry southern Africa). However, it was also assumed that Electricité de France (EDF) or the French conglomerate Bouygues might be interested. The two French companies have cooperated in other African markets and both have relevant expertise to bring to Enerca: a Bouygues subsidiary, Saur, is already running the CAR's water utility while EDF's Africa division has done extensive analysis of the most cost-effective means to provide power in small developing countries where the market is split between one large capital city and thinly populated rural areas. Enerca is a small operation, with installed generating capacity of only 36.5 mw: some 18.8 mw comes from hydro units (essentially, the twin units at Boali), while 17.7 mw comes from thermal generation (mainly in Bangui).

—and the government relaxes logging controls

Timber companies have been chafing under the strict controls on log exports imposed two years ago, when new regulations obliged them partly to transform at least 85% of the wood they produced before it was exported. The law specified that only 15% could be exported as raw logs: the aim was to help environment conservation, by focusing the industry on quality and the generation of local value added, rather than on the traditional bulk exports of raw logs. The new government has concluded that this regime did not, in fact, work because it was too stringent: timber companies saw their profits soar after the CFA franc devaluation in 1994 improved their competitiveness, but they did not reinvest much of this windfall back into the local industry. Mr Ngoupande's strategy is to negotiate with individual companies, offering relaxations of the 15% log export limit in return for commitments to new investment in production and processing technology in the CAR itself. However, in the longer term the government will still want to encourage more value-added local processing of logs, partly because this generates more tax revenue.

Foreign trade and payments

Donors take a supportive but cautious line

Encouraged by the initial policy measures taken by the new prime minister, Jean-Paul Ngoupande, donors attending a roundtable meeting in Bangui in late August praised the government's initial steps towards economic reform and financial discipline. France, Germany, the USA, Taiwan, Egypt, Japan, Morocco and ten multilaterals, including the World Bank and the EU, were briefed by the government on its initial programme. However, they stopped short of publicly promising large new funding commitments and stressed that the establishment of internal political stability and respect for democracy and human rights were an "indispensable prerequisite" for economic recovery. This statement may have helped strengthen the prime minister's hand in his negotiations with the opposition and with the president, Ange-Félix Patassé, who is opposed to Mr Ngoupande's policy innovations.

Chad

Political structure

Official name	République du Tchad
Form of state	Unitary republic
Legal system	Based on the Code Napoléon. The 1989 constitution was suspended in December 1990. The national conference, held from January to April 1993, approved the transition charter, which was extended until April 1996, when a new constitution was adopted by referendum
National legislature	The 57-member Conseil supérieur de la transition is the interim legislature, elected by the national conference
National elections	July 1990 (legislative), June 1996 (presidential); next elections due by: December 1996 (legislative), date for presidential elections to be confirmed
Head of state	President, elected by universal suffrage and sworn in on August 8, 1996
National government	The prime minister and his appointed Council of Ministers, sworn in on August 12, 1996
Main political parties	Mouvement patriotique du salut (MPS); Convention pour la démocratie sociale (CDS); Mouvement pour la démocratie et le socialisme au Tchad (MDST); Rassemblement pour la démocratie et le progrès (RDP); Union démocratique pour le progrès du Tchad (UDPT); Union pour le renouveau et la démocratie (URD)

	President	Idriss Déby
	Prime minister	Djimasta Koïbla
Key ministers	Armed forces	Youssouf Togoimi
	Civil service & labour	Ousmane Djidda
	Commerce & industry	Salibou Garba
	Communications	Youssouf Mboudou Mbami
	Culture, youth & sports	Abderamane Koulamallah
	Education	Nagoum Yamassoum
	Environment & tourism	Odering Goulaye Kelo
	Finance	Bichara Cherif Daoussa
	Foreign affairs	Saleh Kebzabo
	Interior	Mahamat Nimir Ahmat
	Justice	Abdelkerim Nadjo
	Livestock	Mahamat Nouri
	Mines, energy & petroleum	Ngargos Mosnda
	Planning & cooperation	Yamtebaye Nadjitangar
	Post & telecommunications	Ngarbaye Tombalbaye
	Public health	Younouss Kedallah
	Public works & habitat	Mamout Hissein Mamout
	Rural development	Ali Mahamat Zene Fadel
	Women, children & social affairs	Azia Ahmat Senoussi
BEAC governor	Jean-Félix Mamalepot	

Economic structure

Latest available figures

Economic indicators	1991	1992	1993	1994	1995[a]
GDP at market prices CFAfr bn	373	351	291	425	463
Real GDP growth %	8.3	8.0	–15.9	7.1	2.6
Consumer price inflation %	4.2	–3.2	–6.9	40.4	9.0
Population m	5.8	6.0	6.1	6.2	6.4
Exports fob $ m	194	182	152	150	226
Imports fob $ m	250	243	215	176	225
Current account $ m	–66	–86	–113	–28	–34
Reserves excl gold $ m	120	80	39	76	150[b]
Total external debt $ m	610	710	758	816	810
External debt-service ratio %	4.6	5.0	7.2	8.1	14.1
Seed cotton production[c] '000 tons	175	122	95	156	180
Exchange rate (av) CFAfr:$	282.1	264.7	283.2	555.2	499.2

October 25, 1996 CFAfr514.3:$1

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

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

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

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

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

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

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

Outlook for 1997-98

A short honeymoon after Mr Déby's inauguration—

The investiture as president of Idriss Déby on August 8 seemed initially to presage a new era of political détente, now that the head of state was securely in position with a democratic mandate for the next five years. Even before the inauguration the government had lifted the ban on the main trade union, the Union des syndicats tchadiens (UST), and after the inauguration an amnesty was announced for political prisoners. All those detained during the tense election period were released and to some observers the political and human rights atmosphere has appeared to be improving.

—ends as battle lines are drawn

The honeymoon has not lasted, however. The opposition parties, which were demoralised by the election experience (including the decamping to the government side of one of the more notable opposition leaders, Saleh Kebzabo) have begun to regroup themselves; new alliances are being formed between players not already incorporated into the new, broadly-based, government. The battle lines were beginning to be drawn for the parliamentary elections, when these were postponed from November to December (the end of which remains the deadline for the completion of the political transition). Although Mr Déby in his inaugural address said that the *kermesse* (charity bazaar) was over, it is still clearly going to go on until this last electoral contest of the transition.

Amnesty's report highlights relations with France—

Opposition figures were still digesting the switch to two rounds and majority voting for the legislative elections, when a highly critical report on human rights abuses was published by Amnesty International in October. The furore was initially more international than national (the cases detailed being very well known to Chadians), but it is bound to affect Franco-Chadian relations at a time when Mr Déby, armed with the credentials of having become a democratically elected president, is seeking to impress donors. France is directly criticised in the report and appears to have adopted a policy of turning a deaf ear to the human rights organisation, but the incident will further strengthen feeling among reformist circles in the French administration that the current Chadian leadership is not to be too closely consorted with.

—which will seek to "adjust" its military presence

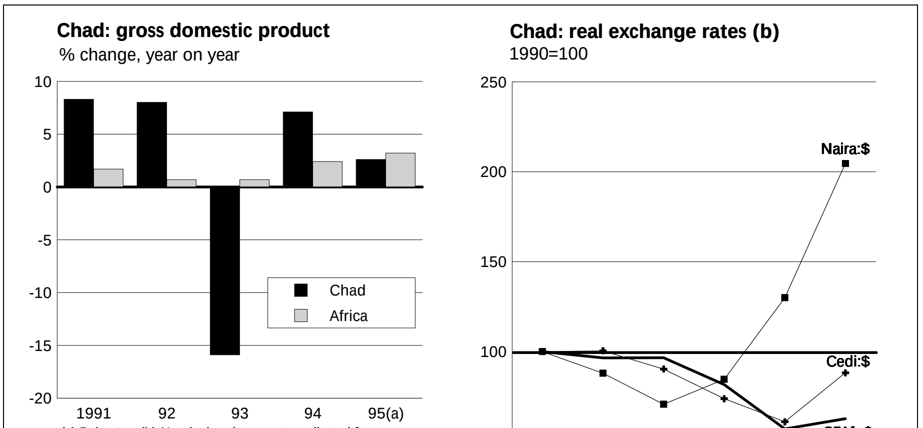
France is also seeking ways of reducing its defence commitment to Chad without seeming to do so, and this story will continue to develop in coming months. Certainly, the threats posed by Libya and Sudan in the 1980s have receded; Mr Déby himself has always made sure that he was well covered from that angle, although the Sudanese have never quite seemed able to control the various Chadian "politico-military groups" which continue to use border-area bases to maintain their dissidences. Where other such groups are currently being slowly fragmented and bought off, those in Sudan, although politically marginal, will remain more unpredictable.

A weather eye will be kept on the Islamic factor

A visit by Mr Déby to Nigeria at the end of August should be seen in this context as a further attempt to improve relations with another past and potential base for rebel activity. More interestingly, Mr Déby was one of those at the annual celebrations in Tripoli of the anniversary of the military coup which brought the current Libyan leader, Muammar Qadhafi, to power in 1969. Relations are also developing with Iran, at the same time as a range of Islamic groups in Chad have been banned. The Chadians share the concerns of other African Islamic states at the activities of hardline Islamists, especially because of the country's long border with Sudan, currently a focal point for such activities.

The economy continues to improve gently

There is no doubt that Mr Déby is still benefiting from a gentle economic improvement, reflected in an expected growth rate this year of 5.5% and reinforced by encouraging figures of both cotton and livestock production. According to the Banque de France's Franc Zone report for 1995, however, there are still problems in the production of foodstuffs, blockages in the marketing of which have meant that inflation, according to some measurements, is still in double figures, unlike in most of Chad's neighbours in the zone. It is still expected, however, that more favourable economic conditions and a bumper cotton harvest due before the end of the year should mean a less austerity-driven budget in 1997 than is the case this year. Improved economic and financial conditions should help Mr Déby to consolidate his new mandate and his ruling Mouvement patriotique du salut (MPS) is expected to do well in the parliamentary elections in December. The only factor which could disrupt this picture would be any unexpected insurgency from the "politico-military groups", which have been quiescent lately. Continued efforts to reform the army, and the recurrence of human rights problems (most caused by the security services) are thus the main challenges for this newly "democratised" military man.



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

Review

The political scene

Mr Déby is inaugurated as president—

The victory of Idriss Déby in the second round of the presidential elections on July 3 was confirmed on July 18 by the Appeal Court in Ndjamena (3rd quarter 1996, pages 36-37). On August 8, complying with the statutory 21 days' delay provided for in the new constitution, Mr Déby was sworn in as president at the

Palais des congrès in the capital; the swearing-in ceremony was attended by a number of African heads of state, including the presidents of Gabon, the Central African Republic, Congo, Sudan, Niger and Burkina Faso. France was represented by the present minister of cooperation, Jacques Godfrain, and one of his predecessors, Michel Roussin.

Chad: presidential election result[a]

Registered voters	3,567,913
Votes cast	2,740,509
Invalid votes	60,151
Valid votes	2,672,358
Turnout (%)	77
Votes cast for Idriss Déby	1,841,199
Votes cast for Wadal Abdelkader Kamougué	831,159

[a] Does not add in source.

Source: *Ndjamena-Hébdo*.

—and both encourages and warns dissidents

In his inaugural speech, Mr Déby said that he wished to erase the past and to "silence our differences and contradictions", adding a message to his "compatriots who persist in the logic of war" (the various politico-military fronts on the country's borders) that they had chosen a dead-end: "We offer our hand, we open our heart so that they may join us in a new beginning." But, while stating that "the moment of pardon and reconciliation is at hand", he warned against the continuation of habits born of Chad's years of civil war. He stressed that democracy should not be confused with anarchy, a mentality "incompatible with the rule of law". He added that good governance implied that the authority of central, regional and local administrators should be restored. Mr Déby also pledged to abolish nepotism and other abuses of power within the administration.

Mr Kamougué contests the results and refuses a job

Earlier, after the first unofficial results had been declared on July 10, Mr Déby made a broadcast appealing for national unity. The losing candidate, Wadal Abdelkader Kamougué, however, declined the president-elect's offer to him to participate in a national government. At a news conference, he said that he had filed a complaint about the elections at the Appeal Court, citing in particular irregularities in the counting of the votes of overseas Chadians, but that it had been rejected out of hand by the court. He also disclosed that Yorongar Ngarjely, the head of the non-violent wing of the Front d'action pour la république-fédération (FARF, one of the best-known politico-military groups with a south-oriented, federalist, agenda), had been released: Mr Yorongar had campaigned for Mr Kamougué but was arrested on the day of the run-off. On his release, Mr Yorongar criticised the conditions in Chadian jails, and called on Mr Déby to visit them to see for himself. Four militants of Mr Kamougué's own party, the Union pour la démocratie et le développement (UDD), were also been arrested on the day of the second round, but were released almost immediately. No reason was given for any of these arrests.

A new government is formed including Saleh Kebzabo—

Following the president's inauguration the prime minister, Djimasta Koïbla, and his government resigned. Mr Koïbla was reappointed and formed a new government with a large number of new ministers, many drawn from the ranks of the opposition. The only senior former minister to survive in the same post was the armed forces minister, Youssouf Togoimi. The most notable new appointment was that of a former journalist, Saleh Kebzabo, as foreign minister. This is clearly a reward for the backing which this previously militant critic of the Déby regime provided to the president in the second round of the election, when Mr Kebzabo (who had been a candidate himself in the first round, securing 8.5% of the vote) called on his supporters to support Mr Déby rather than Mr Kamougué. Mr Kebzabo's home region of Mayo Kebbi was the only southern prefecture where Mr Déby commanded a majority, obtaining 67.8% of the votes. In Logone Orientale he obtained only 6.5% and in Moyen Chari, the second most populous southern prefecture after Mayo Kebbi, the president secured 10.7%.

—who justifies his election switch

While some of Mr Kebzabo's former colleagues in opposition have been bitter at what one described as his "apostasy", he has said that he does not think a politician should be marked for all time for having been in jail and tortured: "We cannot remain forever within the radical opposition." He has also said that the fact that Mr Déby had entrusted him with the foreign affairs portfolio was a sign of trust, and his mission was to recover the "morale, dynamism and prestige" of the foreign ministry. According to the Paris-based fortnightly newsletter, *La Lettre du continent*, both he and Mr Kamougué (who was also censured by other opposition leaders for not joining them in boycotting the second round of the poll) had been supported by the Gabonese president, Omar Bongo. The newsletter described Mr Kebzabo as a "new man, of southern origin but Muslim".

The "political families" are accommodated

Another former presidential candidate, Mahamat Abdoulaye, the leader of the Mouvement pour le progrès et la démocratie au Tchad (MPDT), who polled fewer than 50,000 votes in the first round, was made secretary of state for rural development. Two other opposition party leaders brought into the new government are drawn from Chad's leading political dynasties. They were the new minister of post and telecommunications, Ngarbaye Tombalbaye, who is the son of independent Chad's first president, Ngarta Tombalbaye; and the minister of culture, youth and sports, Abderahmane Koulamallah, whose father had been Mr Tombalbaye's principal political rival in the pre-independence era.

Some dissident groups hold out—

Reaction was mixed among the politico-military groups still pursuing violent dissidence from largely external bases, which were the object of blandishments and warnings in Mr Déby's inaugural speech. Most of them largely suspended activity while waiting for the electoral process to be completed. Two Sudan-based groups, the Conseil national de redressement of Hissein Koty (the brother of Mr Déby's former military colleague, the late Abbas Koty, killed in 1993) and the Front d'action pour l'établissement de la démocratie au Tchad of Zakaria Garba, condemned the presidential election as a farce. They also announced that they had merged to form the Congrès du renouveau et la démocratie (CRD). Another Sudan-based group, the Front national du Tchad rénové (FNTR), claimed that Mr Déby's government had launched attacks on its positions in the area of Adre in eastern Chad, at a time when it was trying to establish a dialogue with the Ndjamena regime.

—but an accord is signed with two others

This was followed, however, on August 26 by the signing of a peace accord between the government and a splinter group of FARF. The government was represented by Mr Togoimi, and what is described as the "FARF-Patriotic Wing" by its deputy coordinator, Michel Mbailama. Negotiations over the accord had taken four months. It provides for the absorption of elements of FARF into the national army, and the conversion of the "patriotic wing" into a political party, the Front patriotique pour la démocratie. Both sides appealed to FARF's overall leader, Laokein Frisson Barde, to "abandon the armed struggle for a democratic struggle". Then, at the end of September an agreement was signed in Zinder, Niger, between the interior minister, Mahamat Nimir Ahmat, and a splinter "group of patriots" from the Mouvement pour la démocratie et le développement (MDD), which was already split into two wings.

Legislative elections are delayed

At the end of September it was announced that the first round of the legislative elections, originally scheduled for November 24, would not be held until December 22. Applications for candidacy would be received until October 22, and the list of candidates would be published on November 12. For nomads the voting will begin on December 18 and will last four days. Shortly before this, and at the government's request, the Conseil supérieur de la transition (CST, the provisional parliament) amended the electoral code for the parliamentary elections, introducing two rounds with majority voting as opposed to the previous first-past-the-post system, and excluding independent candidates. A group of independent politicians called the Association de la société civile protested that this was a violation of the fundamental rights of citizens. The weekly independent newspaper *Ndjamena-Hébdo* claimed that the move boded ill for the conduct of the forthcoming elections, branding it as part of what it characterised as "Black September".

An Amnesty report criticises human rights violations—

Human rights rose to the top of the political agenda with a vengeance with the publication on the eve of a private visit to Paris by Mr Déby of a highly critical report by Amnesty International. The report asserted that the terror which had marked Chad under the presidency of Hissène Habre (1982-90) continues to characterise the exercise of power under his successor, Mr Déby. An Amnesty delegation visited Chad in April 1996 and discussed the gravity of the human rights situation with Chadian officials. They noted the persistence, especially in the south, of practices such as extrajudicial execution, torture, ill-treatment in detention and the imprisonment of prisoners of conscience. They pointed out that the authorities were failing to conduct thorough and impartial investigations into most of the reported instances. No perpetrator of these violations had been brought to justice, the report noted, contrary to the promises made by Mr Déby when he came to power in 1990.

—and calls for "reflection" from military aid donors

The report also documented at length abuses involving those suspected of being "codos" (southern guerrillas), such as long periods of imprisonment without trial. While indicting the Ndjamena authorities for these "escalating violations", Amnesty also called for "reflection" on the part of those who give military aid to Chad, singling out China, the USA and France. According to a French daily, *Le Monde*, this statement was an "innovation" for Amnesty. The report also specifically mentions the "passivity and silences of French aid workers". It was not known if the report was discussed during Mr Déby's visit, during which he met the French president, Jacques Chirac, and French ministers and officials.

Operation Epervier is to be reviewed

In an unconnected move, the French defence minister, Charles Millon, visited Ndjamena on October 5-7 to discuss "adapting" French military forces based in Chad to a "new situation". The 825 men of Operation Epervier (sparrowhawk), which has been in the country for ten years, would be "reoriented", he told a news conference in Gabon, although operational capacity would not be harmed and there would be no "substantial modifications". The minister visited French army installations at Ndjamena airport and at Abéché in eastern Chad. It is not clear if the new situation referred to by Mr Millon was the diminution of the external threat to Chad, or the continuing cost-driven defence reforms in France. A French source in Chad told another French daily, *Libération*, that Operation Epervier, which costs FFr50m ($9.5m) per year, could be transformed into a "small permanent command structure", reinforced by rotating units from France, making it more like the restricted airport operations at Abidjan and Libreville. Other sources indicated that there would not, however, be a reduction in numbers.

The economy

The growth rate remains encouraging—

Nominal GDP rose from CFAfr291bn ($1.03bn) in 1993 to CFAfr425.8bn in 1994 and CFAfr462.8bn in 1995 according to the latest Franc Zone report, which also notes that, while Chad had a real GDP growth rate of 7.1% in 1994, this declined to 2.6% in 1995. However, the forecast for 1996 is as much as 5.5%, well above the expected population increase of about 3%. The report says this is conditional on better organisation of food production, including incentive prices for producers, incentives for private-sector development and the resumption of public expenditure on equipment.

—but inflation is still too high

On inflation, the report notes that while the annual average proceeded from -6.9% in 1993 to 40.4% in the wake of the CFA franc's devaluation in 1994 (but brought down to 9% in 1995), the end-year figures were only slightly different, being zero in 1993, 44% in 1994 and 11.6% in 1995, still higher than in many of Chad's Franc Zone neighbours. This is attributed in the report to certain tensions on the foodstuff markets towards the end of that year. The report adds that the further easing of inflation will also depend on the prudence of the authorities on the question of salaries.

The IMF wants to shake up the customs service—

The Franc Zone report also stresses the continuing importance of Enhanced Structural Adjustment Facility (ESAF) loans and conditionalities to the macroeconomic stabilisation of post-devaluation zone economies, especially in the enhancement of revenue collection. An IMF report in July 1996 on Chad (*Recent Economic Developments*) also dwells on this subject in a section on the reform of the crucial customs sector. This has been fraught with difficulties, in part because of the smuggling of cheap Nigerian imports during the pre-devaluation crisis years of the CFA franc, but also because of political intrusion from the enturbanned armed supporters of the president, Idriss Déby, who tried to make the customs service their own preserve.

—which had been a major slur on Mr Déby's record—

The IMF is understandably discreet on this subject, saying only that the collection of customs is "sensitive to developments in economic activity and the authorities' diligence in enforcement". After improvements in 1987-90 against the background of the country's Structural Adjustment Programme, the next three years saw sluggish economic activity and weaker collection efforts, so that in 1990-93 customs revenue dropped by 57% in nominal terms. In the same period the ratio of customs revenue to total tax revenue fell from 57.8% to 47.5%. After the devaluation, the authorities embarked on a customs reform, seen by the IMF as a cornerstone of its programme to reap the benefit of the hoped-for upturn in economic activity. The report noted, however, that poor administrative management reflected wider structural, administrative and political weaknesses, compounded by a stagnant economy and wage arrears owed to civil servants and the military.

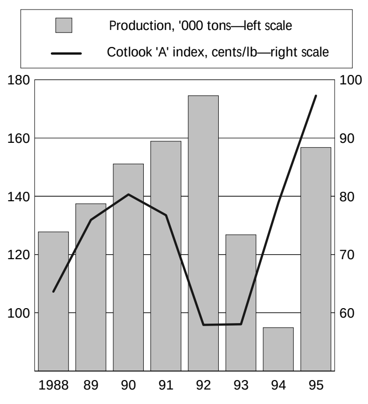
—because of paramilitary interference

The IMF carefully noted that a key problem in customs administration at the time "appeared to be" interference by paramilitary forces in the collection of customs duties, particularly in 1991-92. Concrete measures to reduce this trend were embarked on only in late 1994, and the authorities' efforts were reinforced by the posting of an IMF technical expert to Ndjamena. This was followed by a substantial improvement in collection through better clearance procedures, modernisation and reorganisation, and by application of the rules of the Union douanière et économique de l'Afrique centrale (UDEAC, the near-defunct regional customs union). According to the IMF, these have proved to be a crucial step towards fiscal consolidation and a lasting resumption of economic activity.

Cotontchad is booming

According to the independent weekly *Ndjamena-Hébdo*, the Société cotonnière du Tchad (Cotontchad, the cotton parastatal) has distributed dividends to its shareholders for the first time in its 25 years of existence, as a result of the favourable 1994/95 harvest. Cotontchad made a pre-tax profit of CFAfr15bn in the period, and paid the state CFAfr6.7bn in taxes. This, according to the weekly, was the result of a ten-year "slimming programme".

Chad: cotton production and prices



Source: Banque des états de l'Afrique centrale, *Etudes et statistiques*.

The report says that production this year is said to have broken records: according to the Office national de développement rural (ONDR), the harvest due to begin on October 15 could reach 210,000 tons of raw cotton, the first time the 200,000-ton barrier would have been broken (Chad currently has a maximum ginning capacity of 230,000 tons). The producer price of cotton this season will increase to CFAfr170/kg ($0.33/kg), says the paper, which estimates that this will mean a total of about CFAfr24bn injected into the rural economy. Cotontchad employs on average each year about 2,200 people, 755 of whom are permanent staff, representing salaries of CFAfr150m per month.

A new attempt is made to shrink the army—

Following the passage through the Assemblée nationale of a bill on restructuring the army, further international aid has now been made available to deal with what has been one of the central problems of recent years, reducing the size of the army by retrenching superfluous soldiers, and reforming the slimmed-down forces. A recent article in *Ndjamena-Hébdo* compared the Chadian forces to the Mexican army, with an officer corps of 60% against 40% other ranks. Since 1991 efforts have been made to reduce an army of (probably) some 47,000 personnel to 25,000. Important French funding, which theoretically retrenched 17,000 men, in reality only succeeded in reintegrating 400, and many “went out the door to come in the window”. Although the official strength is now given as just over 32,000, it is admitted that nobody really knows the strength of the army if the paramilitary forces are included.

—with support from the World Bank and France

A second operation is now about to get under way efficiently to demobilise 7,000 men, including a large number of officers. This is to receive CFAfr5bn in funding from the World Bank. The Fonds d’aide et coopération (FAC, the French cooperation ministry’s main aid window) is to provide FFr5m ($970,000) to support public security, including backing for security patrols to protect people and goods in the capital, and to render operational the Compagnie d’action rapide of the police. A further FFr3m is to be made available to support two units of the Garde nationale nomade du Tchad in the prefectures of Biltine and Batha.

France is also supporting structural adjustment

During the past quarter France also provided a grant of FFr105m to support structural adjustment initiatives. In a convention signed on September 11, an amount of FFr60m was made available immediately without conditions, and the balance of FFr45m will be released once the results of the 1995 programme are approved by the IMF. The first tranche is designed to help the government with arrears on domestic debt, and to help Chad meet performance criteria. The second tranche is due to go to the reduction of multilateral and bilateral external debt, as well as social financing and financial administration.

Foreign trade and payments

Devaluation benefits the balance of payments—

The latest statistics from the Banque des états de l’Afrique centrale (BEAC, the regional central bank) contain a section on the recent evolution of Chad’s balance of payments. This confirms that the current-account deficit improved considerably after the 50% devaluation of the CFA franc in January 1994, from CFAfr29bn ($102m) in 1993 to CFAfr15.3bn in 1994. Much of this, however, can be ascribed to the increased levels of public transfers (aid) which accompanied the parity change. The estimated deficit for 1995 is slightly higher, at CFAfr17.2bn, while the forecast deficit for 1996 is considerably worse, at CFAfr33.8bn. This can probably be ascribed to the fact that the beneficial one-off effects of devaluation have slowly worn off.

—and trade figures are encouraging

On the visibles trade balance, figures show that the trade deficit contracted in 1994 from CFAfr15.3bn to CFAfr14.4bn: BEAC notes that export earnings increased more rapidly (by 93.2%) than import expenditure (67.7%). Again, the impact of devaluation is apparent in these dramatic increases, but it is interesting to note that, with earnings from merchandise exports having already risen from CFAfr42.9bn in 1993 to CFAfr83.2bn in 1994, the BEAC estimates that another major jump occurred in 1995, to CFAfr112.8bn, with a forecast total of CFAfr132.4bn in 1996. With merchandise imports expected to total CFAfr126.5bn this leaves a modest trade surplus, which is nonetheless wiped out by Chad's always high freight, insurance and interest payment bills.

Chad: the current account
(CFAfr bn)

	1992[a]	1993[a]	1994[a]	1995[b]	1996[c]
Merchandise exports	48.2	42.9	83.2	112.8	132.4
Merchandise imports	–64.3	–58.2	–97.6	–112.2	–126.5
Trade balance	–16.1	–15.3	–14.4	0.6	5.9
Net services	–51.5	–54.9	–66.0	–74.5	–92.3
Merchandise transport costs	–22.5	–21.2	–34.2	–38.2	–43.8
Other transport & insurance costs	–1.9	–2.1	–1.2	–1.0	–1.0
Travel & foreign residence	–19.1	–23.6	–8.9	–8.2	–8.5
Investment income	–0.7	–3.2	–2.3	–6.7	–11.3
Other private services	–10.8	–10.9	–22.3	–23.4	–30.5
Government transactions	3.5	6.1	2.9	3.1	3.0
Net transfers	44.9	41.2	65.1	56.6	52.5
Private	–9.1	–10.0	–11.1	–8.0	–10.3
Public	54.0	51.2	76.2	64.6	62.8
Current-account balance	–22.7	–29.0	–15.3	–17.2	–33.8

[a] Actual. [b] Estimates. [c] Forecasts.

Source: Banque des états de l'Afrique centrale, *Etudes et statistiques*.

Cotton and livestock exports are up—

The bank's figures for individual commodity exports also confirm the post-devaluation boom. In particular, cotton exports increased in value from CFAfr16.1bn (the low point of the last nine years) in 1993 to CFAfr24.7bn the following year, with the estimate for 1995 leaping remarkably to CFAfr54.5bn and a forecast for 1996 of CFAfr58.7bn. The same trend is seen in livestock exports, rising from CFAfr12.5bn in 1993 (also a low point) to CFAfr24.7bn in 1994, with an estimate for 1995 of CFAfr29.1bn and a forecast for 1996 of CFAfr30bn. The bank puts these improvements down to the good harvests of 1993-94, but both the devaluation (to which it rightly ascribes the increased import expenditure) and improved world market prices for cotton may also have played a part.

—as the Franc Zone report confirms

The annual report for 1995 from the Banque de France's Franc Zone secretariat bears out this favourable picture. The cotton price paid to producers jumped from CFAfr80/kg in 1992/93 to CFAfr90/kg in 1993/94, then to CFAfr120/kg in 1994/95 and CFAfr140/kg in 1995/96. The tonnage of cottonseed produced rose from 94,900 tons in 1993/94 to 156,000 tons in 1994/95 and 180,000 tons in 1995/96. The report adds that the favourable development of the cotton sector, as expressed in improving producer prices, led to an increase both in area exploited and in production, helped also by improvements in the training of planters by the Office national de développement rural (ONDR, the government rural development agency), as well as by support from the international community for the sector. However, difficulties in the foodstuff sector led to an increase in prices, also due to the liberalisation of prices of essential goods (oil, soap and sugar) and "readjustments" in the prices of electricity and fuel.

Franc Zone news

The policy incoherence continues—

Less than a month before the 19th Franco-African summit of heads of state in Ouagadougou, Burkina Faso, and more than two years after the French prime minister, Alain Juppé, vowed to slim down and rationalise France's byzantine cooperation, aid and diplomacy network in sub-Saharan Africa, it is apparent to most observers that the proposed revolution has stalled. There are arguably major consequences for several Franc Zone countries. Of the main institutions of state dealing with Africa, only the Treasury and, to a lesser extent, the Caisse française de développement (CFD, the state development bank) have maintained the reformist zeal that characterised the era of the devaluation of the CFA franc in January 1994. Traditions of parallel diplomacy have been incorporated into the very heart of French government: for more than a year there have been two *cellules africaines* to advise the president, Jacques Chirac. The official Africa unit, under the former and long-serving ambassador to Côte d'Ivoire, Michel Dupuch, is countered by an unofficial but highly influential office a few doors down the street, occupied by the legendary Jacques Foccart, adviser on Africa (among other matters) to General Charles de Gaulle, and his roving ambassador, Fernand Wibaux. There is reportedly no love lost whatever between Mr Foccart and Mr Dupuch, and this has resulted in several pitched battles for Mr Chirac's ear.

—as hardline Gaullists make a spectacular comeback—

One of the principal results of this has been the recapture of the Ministry of Cooperation (long known as the "Ministry for Africa") by the neo-Gaullist traditionalists, under Mr Foccart's guidance. The minister, Jacques Godfrain, and the director of development, Serge Arnaud (appointed earlier this year after a fierce factional battle for Mr Chirac's favour), are both products of the Foccartian patronage system. By contrast, Mr Arnaud's predecessor, Jean-Michel Severino (now head of Eastern Europe at the World Bank), was an arch-reformer and one of the key French players in the devaluation process. Mr Godfrain's recently appointed *directeur de cabinet,* Xavier Donnadieu, shares the minister's background. Mr Donnadieu's predecessor, Jean-Marc Simon, another noted younger-generation reformer, has been posted safely out of the way to Bangui (CAR) as ambassador. This drift back to the policies of the 1970s and 1980s has coincided with several recent and telling events in the Franc Zone. These developments have included the ratification as president, in highly dubious polls with French approval, of two military strongmen, Ibrahim Baré Maïnassara (Niger) and Idriss Déby (Chad), not to mention the return in Benin via a rather cleaner poll of the former Marxist-military dictator, Mathieu Kérékou.

Of the new-generation zone personalities thrown up by "le temps des démocraties" at the end of the 1980s, only Alpha Oumar Konaré (Mali) remains. Mr Konaré is not well-liked in Gaullist circles—Mali pursues an often wilfully independent foreign policy and is friendly with the USA—and the feeling is clearly mutual. There is speculation in Paris that the cooperation ministry and the Direction générale de la sécurité extérieure (DGSE, the foreign intelligence service with which cooperation has longstanding and recently renewed links) would be sluggish in warning Mr Konaré of, for example, serious unrest within his army high command.

—under a harassed prime minister—

That the Foccart wing of the French Africanist policy establishment has been able to bounce back so effectively from what appeared to be near-complete marginalisation after the devaluation is due in very large part to the highly ambiguous Afro-Gaullism of the current president, but more especially to Mr Juppé's domestic difficulties in the wake of the social upheavals in France. A technocrat with little personal interest in Africa, Mr Juppé, under great domestic pressure in the run-up to Economic and Monetary Union (EMU, due in 1999), is still thought lucky by many to have survived the near-paralysis of the country by strikes in late 1995. He is also thought to have taken a decision not to risk further alienating the deputies of his and Mr Chirac's political party, the Gaullist Rassemblement pour la république (RPR) over what one leading French foreign policy analyst has called "a subject as derisory as Africa". (Many RPR deputies have various interests in the Franc Zone and elsewhere in Africa, despite the indifference of wider French society towards the continent).

—a situation which will persist—

This more or less complete policy incoherence towards the zone and other African spheres of influence can be expected to continue for as long as an unpopular Mr Juppé remains in office. Recent assurances of complete personal support from his president suggest that this could be as far as the legislative elections of 1998. In the meantime, the cooperation ministry, the Elysée, the CFD, the Quai d'Orsay (historically little involved in African affairs), and the financial ministries can all be expected to pursue their own institutional ends with little central coordination. According to the Paris-based fortnightly *La Lettre du continent*, the only person currently in a position to engineer a forward-looking, cohesive, Africa policy is Mr Chirac's secretary-general at the Elysée, Dominique de Villepin. He is likely to be occupied for the foreseeable future by the unfolding disaster in the Great Lakes region. This situation will be a relief to veteran zone politicians such as Omar Bongo (Gabon), Abdou Diouf (Senegal), Gnassingbé Eyadéma (Togo) and Denis Sassou-Nguesso (the past, and possibly future, Congolese head of state), all of whom are past-masters in playing Paris's factions off against each other.

—but not for ever

However, the current situation represents Mr Foccart's swansong. The passing of Mr Foccart, who is in his eighties, will usher in the close of France's intense political relationship with its former African colonies. The possibility of a *cohabitation* between Mr Chirac and a left-dominated government after the next elections would probably guarantee the definitive return to power of younger reformist technocrats, aided by the physical disappearance from the scene of many of Mr Foccart's elderly lieutenants. The long-term belt-tightening which will accompany any permutation of EMU will guarantee further cuts to the cooperation budget, with a corresponding further loss of influence within wider government circles. In addition, recent pronouncements by the defence minister, Charles Millon, about the need to rationalise the French military commitment south of the Sahara, will have come as a nasty surprise to leaders such as Mr Bongo and Henri Konan Bédié of Côte d'Ivoire, who feel reassured by the presence on their soil of small but heavily armed

French detachments. Against this shifting medium-term background, the ambiance at Ouagadougou should be interesting.

There is a new UEMOA calendar for integration—

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

—and a new member is accepted—

The application of Guinea-Bissau for UEMOA membership was accepted at the same gathering. It is scheduled to become the eighth member in January 1997. However, there is the question of entry criteria, which were established, but not made public, in March 1994. Two years earlier, Bissau was told that "healthy public finances" were a prerequisite for UEMOA membership, and it is far from clear that this condition has since been met. France is understood to be unenthusiastic about Bissau's proposed admission.

—although economic harmony remains superficial

A further indication of the new atmosphere in the UEMOA came in mid-August with the release of a comparative report from the Dakar Chamber of Commerce, Industry and Agriculture (CCIAD) on the business environment in the seven West African zone economies: the subject would not have been regarded as worthy of research in the pre-devaluation era. It concludes that the internal differences between UEMOA jurisdictions are still more than large enough to outweigh moves towards tariff harmonisation and other integration measures. Among other conclusions, the document points out that:

- the administrative and legal costs involved in setting up limited companies vary wildly throughout the UEMOA, with legal costs in Senegal up to seven time those in Togo or Côte d'Ivoire;

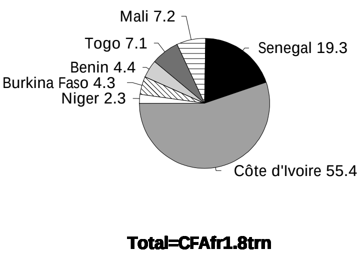
- value-added, corporation and personal income tax levels remain highly disparate, with each country sticking firmly to its existing domestic tax legislation; and

● salary, insurance and business-rent costs remain highly variable across the UEMOA, with office space in Togo, for example, costing 50% less than in neighbouring Benin.

Finance ministers expect a good 1996 as zone banks recover their health—

Franc Zone finance ministers, gathered in Paris in late September *en route* to Washington for the World Bank/IMF annual meetings, gave a generally good bill of health to the 14 economies in the zone. They noted that 1995 had seen the return of growth, control of inflation, a boost to exports and stronger public finances. They forecast that growth across the zone would be at least 4.6% in 1996, compared with population growth of 3%, and that inflation would be no more than 5%. The latest edition of the Paris-based zone secretariat's *La Zone franc, Rapport annuel*, is more confident in its prognosis. It projects UEMOA real growth at 6% this year (unchanged from 1995) and growth in the Communauté économique et monétaire de l'Afrique centrale (CEMAC) at 5.5% (3% last year). Lending to the private sector increased by 15.6% in the UEMOA, and 9.6% in CEMAC last year.

UEMOA: lending to the private sector, Sep 1995
% share



Source: Le Comité monétaire de la Zone franc, *La Zone franc, Rapport annuel 1995.*

At a press conference in Abidjan, Côte d'Ivoire, in late September Mr Konan Banny noted that commercial banks in the UEMOA were again in good health. Their combined losses of CFAfr3.4bn ($12m) in 1993 had been transformed into profits of CFAfr6bn in 1994 and CFAfr65bn in 1995. At the end of 1995 there were 53 commercial banks and 15 financial institutions in the UEMOA, with some new players entering the market and some French banks withdrawing. Banks' deposit bases have swollen as result of capital repatriation since the devaluation of January 1994. However, borrowing by the private sector remains restrained, even in Côte d'Ivoire, which accounted for 55% of commercial bank lending to business in the union in September 1995. This is despite falling interest rates. The BCEAO cut its discount rate from 7.25% to 7% in mid-August, its second reduction in ten days. Bankers tend to give the impression that their lending to the private sector has been constrained by a shortage of viable proposals, while business points to the high cost of borrowing and the reluctance of the banks to think long-term.

—but the UEMOA's current account goes back into the red—

After showing a collective current-account surplus of CFAfr118.5bn in 1994, the seven UEMOA economies went into the red in 1995, to the tune of CFAfr188bn, largely due to imports re-expanding (in dollar terms) to near their pre-devaluation levels. This growth in imports, combined with a dip in the net balance on transfers due to their decline after the one-off surge which accompanied devaluation, was more than enough to counteract a 17% rise in merchandise exports by CFA franc-denominated value, to CFAfr3.38trn. Interest payments due on external debt remained roughly steady, largely due to Côte d'Ivoire's continuing high level of indebtedness, which dwarfs the effects of Paris Club reschedulings for the smaller economies of the Sahel.

—and the UDEAC's stays firmly there

In the Central African subregion of the Franc Zone, however, the problems of Cameroon make for a considerably grimmer picture. Standing at CFAfr414.8bn in 1994, the current-account deficit across the six countries was barely changed at CFAfr419.4bn in 1995. Two-thirds of this total is accounted for by Cameroon. In contrast, Gabon's current account was just over CFAfr100bn in the black on the back of a wide trade surplus and heavy rescheduling obtaining the previous year. As expected, because most members of the Union douanière des états de l'Afrique centrale (UDEAC, the regional, and barely functional, customs union) are petroeconomies to one extent or another, mineral-sector exports accounted for over 60% of merchandise exports. The services balance was slightly further in deficit than in 1994, reflecting the high levels of indebtedness in UDEAC countries. (Congo, for example, is among the most highly indebted economies per head in the world, while Cameroon's external debt is unsustainable according to most criteria.) Interest payments due on external debt approached the CFAfr1trn level in 1995, despite massive reschedulings the year before (Gabon alone had the equivalent of $1.45bn of debts rescheduled after the devaluation). Once again, Cameroon was the main reason for this worrying trend.

UEMOA: the current account
(CFAfr bn)

	1993	1994[a]	1995[a]
Merchandise exports	1,347.3	2,914.8	3,379.2
Merchandise imports	–1,431.3	–2,344.6	–2,842.3
Trade balance	–84.0	570.2	536.9
Net services	–667.0	–1,138.2	–1,257.0
of which:			
interest payments on external debt	–308.7	–477.6	–483.6
Net transfers	353.2	686.5	532.5
Public	381.9	726.5	596.0
Private	–28.7	–40.0	–63.5
Current-account balance	–397.8	118.5	–187.6

[a] Provisional.

Source: BCEAO and national governments, in Secretariat du comité monétaire de la zone franc, *La Zone franc, Rapport annuel 1995.*

UDEAC: the current account
(CFAfr bn)

	1993	1994[a]	1995[a]
Merchandise exports	1,508.5	2,882.6	3,243.2
of which:			
petroleum and other minerals	1,036.6	1,853.7	2,002.4
Merchandise imports	–772.4	–1,557.1	–1,631.7
Trade balance	736.1	1,325.5	1,611.5
Net services	–1,122.3	–1,840.4	–2,020.7
of which:			
interest payments on external debt	–488.0	–772.2	–988.5
Net transfers	32.9	100.1	–10.2
Public	130.6	255.4	157.9
Private	–97.7	–155.3	–168.1
Current-account balance	–353.3	–414.8	–419.4

[a] Provisional.

Source: BEAC and national governments, in Secretariat du comité monétaire de la zone franc, *La Zone franc, Rapport annuel 1995.*

Small CEMAC states are losing patience with Cameroon

Against this background, the smaller economies in the Central African subregion of the zone are becoming impatient with Cameroon's procrastination over final implementation of plans to create a regional economic union and single market. The Cameroonians have been procrastinating over various points, partly due to a wrangle with Gabon over the share-out of jobs in the CEMAC secretariat. The delay is a major problem for the other members, particularly the landlocked Central African Republic and Chad, most of whose external trade passes through Cameroon and whose general level of economic activity is heavily influenced by conditions in the economy of the zone's dominant member. High-level sources in some of the smaller CEMAC country governments are now hinting that if Cameroon fails to agree on implementation soon, they will then press ahead on their own with moves towards economic union. Such a move would have little serious economic impact until Cameroon joins: if it joined late it would have less say over the rules of the new club, and certainly a smaller share of the plum jobs, but domestic political considerations may hinder such a move in the short term.

Quarterly indicators and trade data

Cameroon: quarterly indicators of economic activity

		1994				1995				1996	
		1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr
Mining production	Prodn/day										
Crude petroleum	’000 barrels	110	108	110	110	100	100	100	100	90	90
Prices	Monthly av										
Consumer prices:	1990=100	116.8	126.8	136.6	143.1	148.0	147.1	148.4	152.7	156.2[a]	n/a
change year on year	%	21.3	32.6	39.4	46.8	26.7	16.0	8.6	6.7	n/a	n/a
Money	End-Qtr										
M1, seasonally, adj:	CFAfr bn	293.7	313.1	327.6	361.7	342.8	327.3	290.7	319.2	334.1	343.7[b]
change year on year	%	2.4	23.6	33.5	35.1	16.7	4.5	–11.3	–11.7	–2.5	n/a
Foreign trade[c]	Annual totals										
Exports fob	$ m	(		2,062	)	(		2,245	)	(	n/a)
Imports cif	“	(		956	)	(		1,141	)	(	n/a)
Foreign exchange	End-Qtr										
Central Bank	$ m	2.0	1.4	0.5	1.7	1.5	0.5	0.2	3.2	1.9	1.6[b]
Exchange rate											
Market rate	CFAfr:$	571.0	547.2	528.2	534.6	484.9	485.3	491.5	490.0	503.2	515.3[d]

Note. Annual figures of most of the series shown above will be found in the Country Profile.
[a] Average for January-February. [b] End-April. [c] *DOTS* estimate. [d] End-August, 507.4.

CAR: quarterly indicators of economic activity

		1994				1995				1996	
		1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr
Prices	Monthly av										
Consumer prices[a]:	1990=100	98.6	113.7	125.0	129.4	139.7	138.7	137.9	140.0	n/a	n/a
change year on year	%	2.4	22.1	34.6	40.0	41.7	22.0	10.3	8.2	n/a	n/a
Money	End-Qtr										
M1, seasonally adj:	CFAfr bn	70.85	87.08	96.20	107.15	117.90	114.33	115.54	115.51	101.18	106.14[b]
change year on year	%	32.4	63.0	65.2	74.7	66.4	31.3	20.1	7.8	–14.2	n/a
Foreign trade[c]	Annual totals										
Exports fob	$ m	(		140	)	(		187	)	(	n/a)
Imports cif	“	(		472	)	(		189	)	(	n/a)
Foreign exchange	End-Qtr										
Central Bank	$ m	152.77	190.43	208.92	209.86	248.00	252.29	244.90	233.48	210.32	225.95[b]
Exchange rate											
Market rate	CFAfr:$	571.0	547.2	528.2	534.6	484.9	485.3	491.5	490.0	503.2	515.3[d]

Note. Annual figures of most of the series shown above will be found in the Country Profile.
[a] “African” households, Bangui. [b] End-April. [c] *DOTS* estimate. [d] End-August, 507.4

Chad: quarterly indicators of economic activity

		1994				1995				1996	
		1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr
Prices	Monthly av										
Consumer prices:	1990=100	109.7	136.9	142.6	137.6	139.0	139.7	146.9	149.2	n/a	n/a
change year on year	%	13.6	52.3	50.7	46.4	26.7	2.0	3.0	8.4	n/a	n/a
Money	End-Qtr										
M1, seasonally adj:	CFAfr bn	68.28	75.86	77.50	63.95	52.05	52.07	72.79	94.12	104.02	100.22[a]
change year on year	%	19.0	35.7	21.1	31.8	–23.8	–31.4	–6.1	47.2	99.8	n/a
Foreign trade[b]	Annual totals										
Exports fob	$ m	(		82	)	(		99	)	(	n/a)
Imports cif	“	(		143	)	(		184	)	(	n/a)
Exchange holdings	End-Qtr										
Foreign exchange	$ m	80.81	113.58	126.51	75.60	40.94	61.31	104.00	149.39	189.52	176.33[a]
Exchange rate											
Market rate	CFAfr:$	571.0	547.2	528.2	534.6	484.9	485.3	491.5	490.0	503.2	515.3[c]

Note. Annual figures of most of the series shown above will be found in the Country Profile.
[a] End-April. [b] *DOTS* estimate. [c] End-August, 507.4.

Chad: direction of trade[a]

($ m)

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

[a] *DOTS* estimate.

Cameroon: foreign trade

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

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

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

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

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

CAR: foreign trade

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

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

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

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

[a] *DOTS* estimate.

Cameroon, CAR and Chad: French trade
($ '000)

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