

FOR OFFICIAL USE ONLY

JPRS L/9903

11 August 1981

# Sub-Saharan Africa Report

FOUO No. 734



FOREIGN BROADCAST INFORMATION SERVICE

FOR OFFICIAL USE ONLY

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF  
MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION  
OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

FOR OFFICIAL USE ONLY

JPRS L/9903

11 August 1981

SUB-SAHARAN AFRICA REPORT

FOUO No. 734

CONTENTS

ANGOLA

Need for Construction of Cabinda Port Discussed (MARCHES TROPICAUX ET MEDITERRANEENS, 26 Jun 81) .....	1
Briefs	
Import Survey	2

BURUNDI

UPRONA Committee Adopts Draft Constitution, Discussed Projects (MARCHES TROPICAUX ET MEDITERRANEENS, 3 Jul 81) .....	3
Briefs	
Aid From FRG	5

CAMEROON

Briefs	
Highway Contract With Netherlands	6

CHAD

EEC Relations, European Aid Noted (MARCHES TROPICAUX ET MEDITERRANEENS, 3 Jul 81) .....	7
OAU Summit Receives Goukouni as Real Head of State (MARCHES TROPICAUX ET MEDITERRANEENS, 3 Jul 81) .....	9
OAU Resolution Viewed as Victory for Nation (Augusta Conchiglia; AFRIQUE-ASIE, 6-19 Jul 81) .....	11
Libya Supplying Some Economic Aid to Nation (Siradiou Diallo; JEUNE AFRIQUE, 8 Jul 81) .....	13

- a -

[III - NE & A - 120 FOUO]

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CONGO	
National Credit Council Publishes 1979 Report (MARCHES TROPICAUX ET MEDITERRANEENS, 3 Jul 81) .....	15
IVORY COAST	
Houphouet Leads in North-South Dialogue (Sennen Andriamirado; JEUNE AFRIQUE, 15 Jul 81) .....	17
MADAGASCAR	
Prime Minister Discusses 1978-1980 Economic Development Plan (MARCHES TROPICAUX ET MEDITERRANEENS, 5, 12, 19 Jun 81) ...	19
Permanent Soviet Economic Information Center Opened in Antananarivo (Editorial; MARCHES TROPICAUX ET MEDITERRANEENS, 19 Jun 81)	24
MOZAMBIQUE	
Briefs	
Aerial Spraying	25
Coal Transport Difficulties	25
NIGER	
Briefs	
French Loan for Aquaculture	26
Winding Up of Public Works Company	26
NIGERIA	
Briefs	
Construction at Abuja	27
Cooperation With Poland	27
Discussions With Iran, Gabon	27
Solar Energy	27
Rubber Production	27
Power Station Near Lagos	28
RWANDA	
Briefs	
Economic Projects	29
Demographic Study	29
SENEGAL	
National Assembly Adopts Sixth Development Plan (MARCHES TROPICAUX ET MEDITERRANEENS, 3 Jul 81) .....	30

FOR OFFICIAL USE ONLY

BCEAO Gives Statistics on Recent Economic Developments (MARCHES TROPICAUX ET MEDITERRANEENS, 3 Jul 81) .....	32
Briefs	
New Investment Code	34
1981-1982 Budget	34
Loan to ICS	34
 SOUTH AFRICA	
Briefs	
Secret Negotiations With USSR	35
 TANZANIA	
Minister Presents Economic Plan Estimates (MARCHES TROPICAUX ET MEDITERRANEENS, 3 Jul 81) .....	36
Objectives of Program for Economic Survival Noted (Kusai Kamisa; NEW AFRICAN, Jul 81) .....	38
Further Petroleum Conservation Measures (Abdulla Riyami; NEW AFRICAN, Jul 81) .....	40
Briefs	
Swedish, Yugoslav, Netherlands Aid	41
 ZAIRE	
Briefs	
Diamond Sales	42
 ZAMBIA	
Citizens Seen Facing Privation Until Corrective Measures Work Out (Masautso Masautso; AFRIQUE-ASIE, 6-19 Jul 81) .....	43
Briefs	
Mining Cooperation With Zaire	46
French, Japanese Vehicle Assembly	46

FOR OFFICIAL USE ONLY

ANGOLA

NEED FOR CONSTRUCTION OF CABINDA PORT DISCUSSED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81 p 1732

[Text] Separated from the rest of the territory of Angola, the province of Cabinda, which thanks to its oil contributes more than 50 percent to the economy of the country and which must import and export everything, finds itself in a paradoxical situation: it has no port worthy of the name. Its traffic is handled through the Congolese port of Pointe Noire and is sent there by trucks. Thus Angola must pay customs duties and port taxes in the Congo in foreign exchange, as well as the cost of highway transport. The construction of a port in Cabinda is thus necessary.

It was, moreover, decided upon at the first MPLA congress in 1977. But difficulties of various types were encountered in the implementation of the project and have delayed its realization. For lack of a decision as to what body was responsible, it suffered an initial delay of two years. It was not until 1979 that the project was awarded to Hidroportos, the organization responsible for the civil engineering project construction under the Ministry of Construction. Various other difficulties in the drafting of contracts and the purchase of equipment resulted in a substantial increase in costs, such that it was necessary to revise the initial estimate upward by 30 percent.

Various obstacles of a technical nature remain to be mentioned: for example, the shipment of some 500 tons of welding equipment and its installation, and again the irregularity in the electrical energy supply, not to mention the lack of suitable equipment for the work of installing the prefabricated housing intended for the foreign technicians.

Taking these situations into account, the bulk of the work in the real sense of the term cannot be started before 1982. The construction of the port was in fact designed to be carried out in three phases: the first, including the infrastructure in connection with housing for the personnel; the second, including the installation of the floating platform; and the third, the project work as such, which after the amendment of the initial plan by the Portuguese Consumar company, will be in part the responsibility of the Yugoslav Energo-Project enterprise.

The cost of building the Cabinda port is estimated overall at 800 million kwanzas, to which must be added 110 million kwanzas for the import of equipment.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

5157  
CSO: 4719/106

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ANGOLA

BRIEFS

IMPORT SURVEY--A survey of the whole of Angolan territory, to be completed by 15 July, has been launched by the Ministry of Foreign Trade with a view to examining the current situation of the enterprises which have engaged or are engaging in import activity in the People's Republic of Angola from the administrative, structural, functional and financial viewpoint. The purpose of the study is to make possible the better orientation of government activities in the future. All the enterprises--state, mixed, private and those taken over, nationalized or confiscated--must fill out a 25-point questionnaire pertaining among other things to activities, number of employees, wage total paid out in 1980, bylaws, the amount and structure of the capital, financial situation, volume of purchases, sales and stocks, indebtedness, investment plans, taxes, subsidies, etc. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81 p 1732] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 5157

CSO: 4719/106

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

BURUNDI

UPRONA COMMITTEE ADOPTS DRAFT CONSTITUTION, DISCUSSES PROJECTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1781

[Text] The Central Committee of the United Burundian Party UPRONA [National Unity and Progress Party], which held its usual quarterly meeting on 18 and 19 June at Bujumbura, has adopted the Republic of Burundi's draft constitution. This constitution will soon be submitted for the approval of the Burundian people.

Moreover, the Central Committee has analyzed the policy of regrouping the population in villages throughout the country and has recommended to the government a series of measures including the establishment of an agrarian policy in conformity with this village regrouping policy and the modernization of cultivation methods.

The party's Central Committee has also recommended the continued diversification of the nature of the cooperatives, in particular, in the fields of trade, agriculture and cattle-raising.

The New Rural Policy

Three points were examined by the Central Committee:

So as to ensure progress in regrouping the population in villages, the Central Committee has set up for the government a program centered on regrouping all the people into villages; the preparation of a new law governing land tenure, so as to facilitate regrouping in villages; improved methods of cultivation; emphasis on increasing production by sensitizing the population to regrouping in villages; distribution in villages of basic necessities; preparation of a brochure containing instructions for establishing villages; the setting up of an office to establish a rural development policy; reaffirmation of the national culture in the villages.

With regard to cooperatives, the Central Committee has examined the progress already achieved and made the following recommendations: continued training of technicians in the field of cooperatives; translation into Kirundi and distribution of the new statute on cooperatives; strengthening of sales, production, cattle-raising and craft cooperatives; encouragement of cooperative associations at the level of all the provinces (Union of provincial cooperatives); creation of a national federation of cooperatives; assistance to cooperatives in obtaining credit.

FOR OFFICIAL USE ONLY



**FOR OFFICIAL USE ONLY**

With regard to rural water supply and electrification, the Central Committee has accepted the government projects.

It was recommended that the government should maintain the already existing water sources and dams and continue constructing new ones. The state will have to count on help from the communes and the people in the completion of this project. It will also have to train specialists in water supply and electricity.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

9434

CSO: 4719/132

FOR OFFICIAL USE ONLY

BURUNDI

BRIEFS

AID FROM FRG--As of the end of June, the FRG decided to grant assistance in the amount of DM 66.5 million to Burundi for the period 1981/1982, for the development of the country's electrical and hydraulic infrastructures. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1781 [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

CSO: 4719/132

5  
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CAMEROON

BRIEFS

HIGHWAY CONTRACT WITH NETHERLANDS--The Cameroonian Government has entrusted the construction of a 62-km segment of the Douala-Yaounde Highway to two Dutch firms: Volker Stevin Roads BV and Boskalis International. This highway, 11.4 meters wide, involving the construction of two 20-meter bridges in a forested area, will entail the destruction of 650 hectares of forest. The contract amounts to a total of 285 million French francs (14.25 billion CFA francs). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1862, 17 Jul 81 p 1888] /COPYRIGHT: Rene Moreux et Cie Paris 1981/

CSO: 4719/211

6

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CHAD

EEC RELATIONS, EUROPEAN AID NOTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1775

[Text] In a written question to the Commission of European Communities, Van Miert, member of the European Parliament, asked "in view of recent developments in the Chad situation": 1) What steps have been taken by the commission regarding the aid granted to that country? 2) Has it made or does it intend to make contact with the leaders of Chad? 3) If the answer is yes, what conclusions was it able to draw, if any?

On June 10, the commission replied:

1) Chad was the recipient of funds worth 51.9 million ECU's [European Currency Unit] as financial and technical cooperation in the framework of the First Lome Convention. Right now, 78.5 percent of that sum has been committed; about 45 percent of that sum has been actually paid. However, work had to be discontinued in 1980 in already financed projects due to what was happening in the country, except in the case of the project of integrated development in southern Chad where the commission has been trying to safeguard the extremely satisfactory results obtained in the sphere of modernization of agriculture through widespread use of animal-drawn farming implements. Moreover, the commission continues to finance, jointly with other bilateral and multilateral types of aid, the emergency aid program for Chadian students affected by the developments.

Under the STABEX [Stabilization of Exports], Chad received in 1980 a transfer payment of 4.67 million ECU's as compensation for the drop of its earnings from cotton exports. In 1980, the commission agreed to make a second transfer payment of 2.66 million ECU's to compensate for a drop of cotton export earnings in 1979.

Emergency aid to the tune of 300,000 ECU's was granted in October 1979 to keep essential public services running in the capital.

In the framework of the Second Lome Convention, the commission granted on 2 April 1981 an emergency aid of 500,000 ECU's for operations of a humanitarian nature which will be carried out by nongovernmental agencies of the community to benefit the population, victim of events in that country.

2) and 3) After violent fighting erupted in the capital of Chad, the commission's local office had to be evacuated in April 1980 when diplomatic missions and

FOR OFFICIAL USE ONLY

international agencies' offices in Ndjamena decided on a similar move. However, a sub-branch was set up in Garoua, in northern Cameroon, in the off chance of remaining in contact with the Chadian authorities to do our very best to meet the basic needs of the population affected by the developments as well as to protect the gains of the community's aid wherever possible.

The commission hopes to reopen its office in Ndjamena as soon as the local situation warrants it under conditions of security and effectiveness. Meanwhile, contacts have been maintained with the Chadian authorities, who have ratified the Second Lome Convention, and these contacts are made through the Garoua outpost and through the Republic of Chad's permanent delegation to the communities.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796  
CSO: 4719/124

FOR OFFICIAL USE ONLY

CHAD

OAU SUMMIT RECEIVES GOUKOUNI AS REAL HEAD OF STATE

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1775

[Text] The 18th OAU Summit held in Nairobi (see page 1747) has confirmed the recognition of Chad's GUNT (Transition Government of National Union) in the international arena and Goukouni Weddeye, the president of Chad, was received in the Kenyan capital as a real head of state.

Moreover, this summit was also a victory for Libyan diplomacy insofar as Tripoli's military intervention in Chad was not condemned.

The resolution adopted by the African heads of state and heads of government meeting in Nairobi merely notes that the summit has decided to put at the disposal of the GUNT the financial and material means which will enable this government to quickly create its Integrated National Army and to gradually take over from the foreign troops stationed in its national territory.

The document also reaffirms the OAU's support for the GUNT and calls on all the member states to back that government in its efforts to maintain peace and security in the country and to refrain from interfering in the country's domestic affairs.

The OAU has also decided to launch an appeal to all member countries, to the United Nations and to international organizations asking them to help the GUNT reestablish the administrative machinery and rebuild the country's economy ruined by 15 years of war. To this effect, the UN Secretary General has been asked to convene a conference to pledge contributions of aid to Chad.

President Goukouni Weddeye held a press conference in Nairobi on 26 June during which he noted that the aforesaid resolution was not referring to Tripoli when it mentioned "noninterference." "It is fully understood by all the heads of state," he said, "that the Libyan troops will leave as soon as Chadian troops are capable of ensuring the country's security."

On the subject of the neutral force which, according to the resolution, will be entrusted with peacekeeping, and the composition of which will be first submitted to the GUNT's approval, Goukouni noted that "if it arrives within 1 or 2 months, the Chadian Government will assume its responsibilities." "Otherwise," he added, "the government will not send the Libyan forces away."

FOR OFFICIAL USE ONLY

France and other countries, Nigeria in particular, have said that they were ready to help Chad on condition that the Libyan troops leave the country. President Goukouni has said that "the Chadian people are lucky that Francois Mitterrand is in charge in France."

Asked about the composition of the neutral force, the Chadian president noted that Chad had already accepted the three countries mentioned in the Lagos Agreements (Congo, Benin and Guinea) but that any change would have to be submitted to the GUNT for approval.

He also stated that the Libyans had come to help the GUNT by military means to put an end to the "rebellion which was receiving considerable assistance from countries in Africa and outside Africa."

Afterwards, Goukouni mentioned Vice President Kamougue's trip to Paris where he went for medical reasons and said that he had entered a hospital there. Finally, he paid tribute to a young Spaniard, member of the PSOE (Spanish Socialist Workers' Party) "who came and fought alongside the resistance fighters" of the FROLINAT [Chadian National Liberation Front] and who was a member of the Chadian delegation to the OAU Conference. He also thanked Spain which had taken into its hospitals tens of wounded Chadians. Let us point out that the friendly relations which exist between the PSOE and the resistance fighters of northern Chad--who are now part of the Ndjamen Government--are close ties going back a long way.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796  
CSO: 4719/124

FOR OFFICIAL USE ONLY

CHAD

OAU RESOLUTION VIEWED AS VICTORY FOR NATION

Paris AFRIQUE-ASIE in French 6-19 Jul 81 pp 22, 23

[Article by Augusta Conchiglia]

[Text] With Giscard removed from the political scene, new ideas have been able to blaze a trail for themselves.

"This is a victory for the people of Chad and its government, an unconditional support for the GUNT [National Union Transitional Government]." With these words President Goukouni Weddeye took his hat off to the resolution regarding his country.

Formulated in terms of three points, it advocates a grant-in-aid for the national reconstruction of Chad and creation of a new peace-keeping force (probably composed of the three countries already indicated at Lagos, to wit, Congo, Benin and Guinea) to maintain security within the country. President Ratsiraka hopes that this force can be put into operation within a month's time. It is not incompatible with the presence of Libyan troops -- "a matter which is solely within the jurisdiction of the Ndjamena government" -- which are still indispensable to the maintenance of our security, threatened from abroad.

When these threats disappear, when the neutral force and the reconstituted Chadian Army are in a position to assure the defense of the country, "we will thank our Libyan allies and ask them to leave."

The third point in the resolution is no doubt the most important for the Chadian economic situation: The OAU "is launching an appeal to the African countries and others to put an end to any intervention in Chad's internal affairs."

While the GUNT president "no longer has anything to fear" from France, the support some African countries are still extending Hissein Habre, condemned to death for criminal activities by the courts of Ndjamena, could give rise to fear of other attempts to render the country unstable. But the plan that might have succeeded in reinstalling Habre at the head of a puppet government in Chad was conceived and prepared in the French capital, apparently before 10 May. "Immediately after his reelection," President Goukouni revealed, "Valery Giscard d'Estaing intended to attack Chad, burn its capital to the ground. The information we have received is absolutely certain."



FOR OFFICIAL USE ONLY

The anathema countries like Sudan and Gabon heaped on Libya, "an expansionist power," did not find enough partisans at this summit meeting. However, one of the two Kenyan dailies, THE STANDARD, has busied itself with creating a climate favorable to the condemnation of Libya, most recently attributing to the latter an aborted coup in Uganda. This, which made the front page of that daily on Saturday, the 27th — what was involved was an Italian mission's attack in West Nile Province during which irregular troops killed 55 people — has aroused no reaction from President Obote, who nevertheless attended the summit meeting.

Therefore, this summit meeting indisputably revealed what, to the way of thinking of its leaders, the anti-Libyan campaign concealed, that is, the expansionism and aggressive, neocolonialist policy of France under Giscard, an otherwise more specific danger.

Thus the departure of Giscard's strategists from the Elysee [presidential office] and the Quai d'Orsay [Ministry of External Relations], with whom several reactionary regimes had cooperated, caused President Goukouni to say that some countries "have been able to go beyond their former notions — particularly as concerns Chad — and have shown themselves to be open to new ideas...."

In any event, with the removal of the image of a Libyan bogey man, no objections were raised when it was confirmed that the next summit meeting would be held in Tripoli, and this just at the end of the conference proceedings during the early morning hours of Sunday, 28 June.

COPYRIGHT: 1981 Afrique-Asie.

11,466  
CSO: 4719/136

FOR OFFICIAL USE ONLY

CHAD

LIBYA SUPPLYING SOME ECONOMIC AID TO NATION

Paris JEUNE AFRIQUE in French 8 Jul 81 p 23

[Article by Siradiou Diallo: "Chad: The Heroes Are Tired"]

[Text] "All's well that ends well," a Libyan delegate tossed at us as we were leaving the debate on the Chadian affair. And he went on to explain that his country is no longer opposed to the decision to withdraw its troops now that the president of the GUNT (National Union Transitional Government), Mr Goukouni Weddeye, himself is in agreement with that prospect. "We are for legality," he added, smiling.

Qadhdhafi and Goukouni's men had reason to be satisfied. By coordinating their strategy, they had just carried off a great diplomatic victory. Not only did the GUNT manage to get itself to be considered the sole and unique legal government in Chad by rejecting any thought of reconciliation with Hissein Habre's FAN [Northern Armed Forces], but also the resolution approved at the summit meeting no longer alluded to a condemnation of Libyan intervention.

The sad memories of the set-tos and tensions that marked the Ad Hoc Committee on Chad meetings at Lagos (24 December 1980) and then at Lome (14 January 1981) had quite faded. More specifically, at the Lome meeting had not the OAU straightforwardly condemned the introduction of Libyan troops in Chad and demanded that they be replaced by a pan-African intervention force?

What has happened since then? Why has Nairobi made them forget Lome and Lagos? Because the heroes of those meetings are tired of Chad (as they are, moreover, of the Sahara). They no longer want to listen to any talk of these endless conflicts.

Now as to the peace that everyone so ardently desires, Goukouni Weddeye has succeeded in persuading them that from now on it is he and he alone who will embody it and guarantee it. Acyl Ahmat (GUNT minister of foreign affairs) confided to us that another allusion to reconciliation with Hissein Habre would be enough to set the guns to talking again.

The former southern leader, Col Wadal Abdel Kader Kamougue, himself seems to be heading for a fall. Suspected of being lukewarm toward the policy of integration of the different armed factions into a national army, decided on during the staff seminar held from 15 to 30 May in Ndjamena, it would appear that the GUNT vice president did not withdraw to France only "because of his health."

13  
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

"Let him stay there and Chad will only be the better off for it!" cracked a member of the Chadian delegation for whom the leitmotif is still peace in the framework of a rediscovered unity. As for the withdrawal of the Libyan troops and their replacement by neutral pan-African forces, GUNT members say that they are in perfect agreement on that. Provided, they specify, that the two operations are almost simultaneously executed.

For, one of them confided to us, "when someone tells you to throw away the stick you are holding in your hand when a dangerous snake is bearing down on you, you won't do it unless he immediately gives you a bigger stick...."

In other words Goukouni Weddeye intends to hang on to the Libyan stick just as long as the OAU is unable to procure a force capable of sustaining him against Hissein Habre, aided by Egypt and Sudan. Now everyone knows — and first of all the Libyans and Chadians — that they may well have to wait for financial, material and logistic support from the OAU.

Especially given the fact that, since their "pacification" of the country, the Libyans have been rebuilding public buildings, restoring certain economic facilities and disbursing funds to pay officials \$3 million a month. Under the circumstances it is understandable why the Chadians are in no hurry to show the Libyans the door.

COPYRIGHT: Jeune Afrique GRUPJIA 1981.

11,466  
CSO: 4719/136

11  
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CONGO

NATIONAL CREDIT COUNCIL PUBLISHES 1979 REPORT

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1777

[Text] The National Credit Council of the People's Republic of the Congo has published its long-overdue 1979 report.

For that year, the general balance of payments showed a positive balance of 3 billion CFA francs, slightly less than the 3.9 billion CFA francs surplus obtained for fiscal 1978. The general balance of external payments improved as a result of increased oil exports bringing in higher revenues which amounted to 73.2 billion CFA francs in 1979 compared to 48.1 billion in 1978. As a result, the balance of trade had a surplus of 46.9 billion CFA francs compared to a 9.2 billion in 1978. The chapter of services remains in deficit due to the cost of freights and to investments by the oil companies (a deficit of 10.4 billion CFA francs).

In 1979, the new flow of financial aid was clearly below the amount of foreign aid received in 1978. In 1979, the Congo received the equivalent of 32.7 billion CFA francs worth of credit loans and repaid 33.7 billion; it also received 7 billion CFA francs of development aid.

On 31 December 1979, net external assets showed a deficit equivalent to 3.8 billion CFA francs, a reduced indebtedness compared to the end of December 1978 when the deficit was 7.7 billion CFA francs.

In the budget for fiscal 1979, the debt servicing burden dropped to 8.1 billion CFA francs, down by 1.2 billion compared to the previous budget. Paying the interest due on the external debt required 7.5 billion CFA francs (up by 27.17 percent) but the budget allocation to that chapter of expenses were lower because the internal debt only required 0.6 billion CFA francs (down by 82.24 percent).

During that year, the paper money supply (bills and coins) increased from 17.2 to 19.9 billion CFA francs (up by 12.82 percent). The Congolese currency bought by the Bank of France totalled 3 billion CFA francs, of which 0.7 billion came from Switzerland (compared to 3.6 billion CFA francs and 1.2 billion CFA francs respectively in 1978).

The bank money--all checking and term accounts in banks--increased from 16.6 billion CFA francs to 20.7 billion by 31 December 1979 (up by 24 percent).

FOR OFFICIAL USE ONLY

The credits of the state's monetary system remained stable: 20.7 million CFA francs by the end of the year (up by 3 percent) and most of it consisted of advances of the Central Bank and capital bonds issued by commercial banks at 6-month intervals on the basis of the volume of deposits received.

After introducing its financial stabilization program, the Congo received more aid in 1979 from the International Monetary Fund--6.3 billion CFA francs (an 86.25 percent increase compared to 1978).

By 31 December 1979, the economy had received 45.6 billion CFA francs worth of credits compared to 39.4 billion a year earlier (up by 15.64 percent). That aid represents 72 percent of monetary and other assets (76.2 percent in 1978). The tertiary sector (services, transportation and management) was the major user of granted credits while the secondary sector, covering processing industries, came in second place (32.68 percent).

Assistance from the National Development Bank went up--11.1 billion CFA francs by the end of 1979 (up by 20.5 percent).

The structure of the Congolese banking system remained unchanged. Apart from the Bank of Central African States (BEAC), which is a joint bank of issue for the Congo, Cameroon, Central Africa, Gabon and Chad, the banking sector consists of two commercial banks--the Congolese Commercial Bank (BCC) and the Congolese Union of Banks (UBC)--and the National Development Bank of the Congo (BNDC).

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796  
CSO: 4719/124

FOR OFFICIAL USE ONLY

IVORY COAST

HOUPHOUET LEADS IN NORTH-SOUTH DIALOGUE

Paris JEUNE AFRIQUE in French No 1071, 15 Jul 81 pp 38-39

[Article by Sennen Andriamirado: "The Abidjan-Paris Axis"]

[Text] On 9 July, Felix Houphouet-Boigny informed his French counterpart, Francois Mitterrand, of the new element in Franco-Ivorian cooperation, as viewed by Houphouet himself: a political alliance, instead of the traditional assistance from the former colonizer to an underdeveloped country. Herein lies the vast difference between the Franco-Ivorian cooperation of the sixties and the relations between equals proposed by Houphouet-Boigny for the eighties.

True, Ivory Coast can afford such a change in cooperation. Benefiting from massive assistance from France during the last 20 years, it is one of the rare countries to deserve the approval of its industrial partners. Between 1958 and 1980, Ivory Coast received some 27 billion CFA francs from the FAC (Aid and Cooperation Fund), out of which a trifling 22.9 billion in the guise of non-reimbursable subventions.

However, this amount becomes derisory when compared to the sum of the loans granted by the CCCE (Central Fund for Economic Assistance) for the sole year 1980: A total of 22.076 billion CFA francs, 11.5 billions of which at a preferential rate of interest of 5 percent per annum and 10,570 billion at the rates of the international credit markets. In sum, in 22 years of cooperation, Ivory Coast borrowed more from France than it received in grants.

Privileges

Before welcoming Houphouet-Boigny in Paris, Francois Mitterrand was already aware of these figures. In 1980, France provided Ivory Coast with cooperants to the tune of 5.115 billion CFA francs; however, Ivory Coast put up 33.85 billion CFA francs in counterpart funds for this French assistance (contributions for cooperants' salaries, various indemnities, housing, etc.).

Of course, the Abidjan government has the largest contingent of French cooperants in comparison to all the other African countries (3,976 agents as against 1,300 in Senegal and 700 each in Cameroon, Gabon and Madagascar). Of course, Ivory Coast

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

absorbs more than one-third of the 12,000 cooperants once "managed" by the French Ministry of Cooperation. But Felix Houphouet-Boigny did not want to meet his old parliamentary colleague of the fifties, Francois Mitterrand, to maintain these privileges, and still less to increase them. His objective was neither to revise the Franco-Ivorian agreements nor to solicit reinforced cooperation. He wanted much more: a political alliance.

By "political," the Ivorian president means "economic," and by "alliance," he means a convergence of ideas and strategies vis-a-vis the international crisis. In the most extreme circumstances, Houphouet-Boigny could well do without French technical cooperation, given his country's state of development. However, he needs France for the propagation of a message: the deterioration of the terms of exchange is accelerating the impoverishment of the African countries because of the selfishness of the industrial nations.

Solidarity

What is Houphouet's obsession? It is cocoa, of which Ivory Coast is the most important world producer (about 400,000 tons this year, or one-fourth of the world production). But this record is also a curse: consumer countries--with the United States coming first with 70 percent--are refusing to increase purchase prices; and Ivory Coast, having refused to sell at the prices imposed, will lose this year some \$265 million. Houphouet has been battling with the industrial countries for nearly 2 years. He vainly attempted to make Valery Giscard d'Estaing the spokesman for the Third World in international negotiations.

The Ivorian president intends to make up for this failure through Francois Mitterrand, who will meet his Western counterparts and allies in Ottawa on 20 and 21 July. This meeting of the rich will, of course, discuss solidarity among industrialized countries, but also the preparations for the North-South summit dialogue to be held in Mexico in October. Houphouet-Boigny believes that the dialogue will only be possible if the rich countries of the North accept to remunerate fairly the less-endowed countries of the South for their products.

The Mitterrand-Houphouet meeting will have been somewhat paradoxical: Mitterrand is a socialist in France and Houphouet advocates capitalism in Ivory Coast. At the international level, Houphouet leads the "proletarian" struggle of the producers; Mitterrand belongs to the well-endowed class.

COPYRIGHT: Jeune Afrique GRUPJIA 1981

CSO: 4719/193

FOR OFFICIAL USE ONLY

MADAGASCAR

PRIME MINISTER DISCUSSES 1978-1980 ECONOMIC DEVELOPMENT PLAN

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 5, 12, 19 Jun 81

/5 Jun 81 No 1856 p 1548; passages between slantlines printed in boldface/

/Text/ On 25 May, before the People's National Assembly, Desire Rakotoarijaona, prime minister of Madagascar, drew up the balance sheet of the 1978-1980 plan, the first socialist plan of the Democratic Republic of Madagascar, also called the "transition plan." From the prime minister's speech, a few points should be kept in mind.

During the 3 years of the plan, /534.6 billion Malagasy francs/ were used toward its realization, of which 187.7 billion came from the National Development and Economic Fund (FNDE), and 147.1 billion from foreign countries.

On the whole 79 percent of the plan's objectives were reached for earnings on taxes and tariffs, the main budgetary resources.

Nevertheless, the results for indirect taxation were not as satisfactory.

Overall, the /decentralized communities/ have slowly taken over all power, especially in social and cultural matters, "and the central government often cannot keep up with their dynamism (for example in training school teachers and workers in the health field, and in supplying materials for health centers)."

The decentralized communities also have an important role in /the fight against cattle theft/. In this they are helped by the police who back up the mobile quarters the communities must set up. In 1977-1978 the combined efforts of the fokonolona, the mobile quarters, and police resulted in an 8 percent reduction in the theft of cattle; a 16 percent reduction was noted in 1978-1979, and in 1979-1980 there was, unfortunately, an increase of 45 percent. However, during these 3 years 56 percent of the stolen cattle were returned, and in 1980 another 21 percent of the dahalo (thieves) were arrested. That same year a meeting was held in Antananarivo to decide on measures against cattle theft. At that time a national committee was under the supervision of the Ministry of the Interior, and all books, passports, cattle control methods were changed in order to prevent trafficking in cattle. Another operation was begun, with the first stage ending in September 1980: the Danga operation of /fighting brush fires/. This operation, on which 361 million Malagasy francs were spent, had positive results in that the number of brush fires was markedly reduced and they even disappeared in certain regions. The operation will continue.



FOR OFFICIAL USE ONLY

In order to /fight against continual soil erosion/ and an increase in bare land, the government has reserved 21 million Malagasy francs for various operations: creating a training center for foresters in Fianarantsoa, Morondava, and Toliara, industrial reforestation, regional reforestation and fighting brush fires, establishing nursery gardens, protecting against erosion, setting up fire-fighting brigades and installing fire-fighting equipment for brush fires.

For /reforestation/, pine trees were planted in the following manner: 30,000 hectares in Mahatsiatra, 67,000 hectares in Mangoro, 1,500 hectares in Amparibato, and 9,000 hectares in the Manjakandiana region. Poplars were planted on 400 hectares in Moramanga. To this is added the national reforestation through which 7 million seedlings were planted over 2,830 hectares (in Antananarivo, Fianarantsoa, Toamasina).

/Agricultural development/ has also been one of the government's main concerns: for instance the development of food production in order to become self-sufficient. To this end the government gave 55.4 billion Malagasy francs, of which 48 billion came from national banks. This allows the government to reclaim 36,700 hectares of former colonial land, to buy equipment (including 1,400 tractors), fund the upkeep of irrigation canals, the use of fertilizers, the construction of warehouses (over 405,000 tons of products can now be stocked). At the same time fertilizer factories were established or expanded (ZeMa and ZeRen).

In /food production/ the country reached 85 percent of the plan's objectives, and for rice alone it was up to 94 percent with state-owned companies participating. However, rice production is not adequate and has to be improved. To reduce flour imports (42,000 tons per year) attempts at growing wheat are being made, and a plan for flour mills (Kobama) was set up (for changing 50,000 tons of wheat per year into 37,000 tons of flour). Peanut production is down. Attempts have been made to grow soybeans (200 hectares in Mandoto, by the socialist firm Mamisoa, on an area that is to be expanded to 5,000 hectares).

In /export crops/, no product reached the plan's objectives. For coffee, however, the recorded yield was 92 percent, in a coffee operation that made it possible to cultivate 2 million coffee seedlings and increase by 2,000 hectares the area cultivated. In 3 years, 223,000 hectares of coffee plantation were revitalized.

/Livestock breeding/ benefited from investments amounting to 3.3 billion Malagasy francs which enabled the country to surpass the target set by the plan. This was due to the construction of 18 breeding centers and systematic, widespread vaccination.

The development of /sea and fresh water fishing/ was also one of the objectives of the first socialist plan: 273 million Malagasy francs were thus used to build refrigerator buildings, to create fishermen's cooperatives, to build premises for technicians, and to create piscicultural lakes.

[I2 Jun 81 No 1857 pp 1607-1608]

[Text] Mines, Energy, and Industry

The prime minister stated that during the 3 years of the plan over 55 billion Malagasy francs were spent on the industrial development of Madagascar, including the study and exploitation of mineral and energy resources.

FOR OFFICIAL USE ONLY

Among the programs carried out, he mentioned the extraction of 146,530 tons of chromite in 1980 (64 percent of the first plan target), 12,250 tons of nickel in Toamasina, Vatomandry, Brickaville, and Moramanga (85 percent of the target), and 580 tons of mica at Bekily, Betroka, Tsihombe, and Amboasary (52 percent of the target).

One must also mention the studies done on the extraction of iron in Soalala, Fasintsara, Bekisopa, Ambatovy, and Betioky, whose natural reserves are estimated at 500 million tons, and the studies done on coal in Sakoa, for which 600 million Malagasy francs were reserved, and on the phosphorus of the Barren Islands.

A particular emphasis was put on the prospects for the exploitation of the Bemolanga /bituminous stone/ and for petroleum in Tsimiror. The reserves of Bemolanga are estimated at 2 billion to 3 billion barrels and those of Tsimiror at 7 billion to 8 billion barrels. There is also the exploitation of uranium in Antsirabe, Morafenobe, and Taolagnaro, with the establishment, this year, of a pilot plant.

In the field of /electricity/, the Namorona center is now in full operation, while awaiting construction to be completed on the Andekalaka center, which will cost over 31 billion Malagasy francs.

In /heavy industry/ the emphasis is on cement, where the following targets were reached: up to 52 percent in 1978, up to 47 percent in 1979, and up to 57 percent in 1980. Production still being low, the government decided to set up the Ibity cement works (forecast: 115,000 tons per year), and to proceed with the expansion of the one in Amboanio so that it can produce 500,000 tons per year.

For /paper pulp/ 60 percent of the target was reached (17,000 tons of paper). But 18,600 tons of paper pulp had to be imported over a 3-year period. To solve the problem, Papmad expanded at a cost of 2,500 billion Malagasy francs, and studies are being done to create a new paper pulp factory in the Mangoro region.

In the sector for /industrial equipment/ Secren (formerly the Diego-Suarez arsenal) is expanding rapidly, and is mainly concerned with building and repairing ships. It builds 14 small coasters and repairs 50 boats of all kinds annually. In 1980, it came out with seven prototypes for water-pumps.

The Malagasy National Railways (RNCFM) continues its ironworks operations and runs a factory for manufacturing spare parts. There are also plans for the construction of a spare parts factory in Moramanga which could solve many problems in this field.

We should also mention the Toly factory which, in 1980, manufactured 1,000 pieces of farming equipment. It also handles materials for the maintenance of buildings, ironworks, and all kinds of mechanical operations. Sidema of Antananarivo (with a branch in Toamasina) specializes in the manufacture of plows (1,000 per year), and of other farming equipment such as weeders, threshing-machines and carts. The firm was just supplied with imported equipment to the tune of 120 million Malagasy francs.

In the /textile industry/, Cotona (Antsirabe) and Sotema (Mahajanga) produce over 85 million meters of cloth annually. These factories were greatly expanded in the last 3 years. At the same time the construction of the Sumatex factory in Toliara was completed.

FOR OFFICIAL USE ONLY

In the /food industry/, plans have been completed for a yeast factory in Ambilobe, a vinegar factory in Antsirabe, an instant coffee factory in Mahajanga, a chocolate factory in Ambanja, and a brewerie in Toamasina.

And finally, important efforts done in handicrafts should also be mentioned.

Infrastructure and Transportation

In construction and infrastructures, a particular mention should be made of the construction of the /regional university centers/ (CUR program) in the six faritany, for which over 30 billion Malagasy francs were earmarked. All the CUR can now admit students.

For /roads/ large investments made possible the construction of 763 km of paved roads and 250 km of dirt roads, the upkeep of almost 700 km of roads paved with asphalt, the building of 70 bridges, etc., as well as studying 1,300 km of roadway. Yet, in fact, problems still exist for collecting goods and supplying the people with provisions. That is why light intervention teams (BLIG) were set up within the military engineering corps. Most of the BLIG equipment ordered abroad has arrived, and soon they will be able to work on the construction and repair of roads that have economic value.

The targets were reached for /sea and air transport/. Eight vessels were bought in 1979-1980, of which five were coasters, one oil tanker (Tsimiroro) and two long-distance cargo boats (Mahajanga and Toamasina).

For /air transport/ one Boeing 747 and three HS-748 were bought in 1979-1980. But efforts in this field are still inadequate.

/Rail transportation/ also got new equipment: three locomotives, 27 tank-cars, 45 ordinary wagons. The prime minister called to mind the disrepair of the railroad infrastructure, to which 8.75 billion Malagasy francs were given for improvements, in the second railroad project that involved the development of the TCE line (work has begun) and the Moramanga--Lake Alaotra line (the necessary materials are already in place).

For /transportation by road/, in order to help urban transportation, large buses are presently used in faritany county seats, and 1,000 trucks were ordered, of which 400 are already in service, to help with provisions and the collection of products.

Finally, in the area of /information/ and /telecommunications/, the prime minister brought up the "television sets/ operation (a purchase of 5,730 television sets since 1978) and especially the great telecommunications project for the South (Telecom-South), costing 4.8 billion Malagasy francs, of which one part (Antananarivo-Fianarantsoa) is already operational since June 1980. The Telecom-Southeast project (5.5 billion) will be operational in 1983. Studies are under way for project Telecom-Northwest, and the connection between Antananarivo and Toamasina passing through Andilamena, Mahanoro, and Tsiroanomandidy.

Other projects of lesser scope have also been completed (maritime radio, telephone centers, etc.).

FOR OFFICIAL USE ONLY

[19 Jun 81 No 1858 p 1667]

[Text] In his speech on economic assessment, on 25 May, before the People's National Assembly (see MTM of 5 June and 12 June), Malagasy Prime Minister Desire Rakotoarijaona spoke at length on the question of "socialist enterprises" that came into being through the nationalization of large, key industries.

At present, the "revolutionary power" is in the majority in 62 enterprises representing a total capital of over 27 billion Malagasy francs. In the business sector, 19 firms are owned outright by the state which is the major partner in three other firms. Wholesale trade is in the hands of state-owned companies that have agencies in all countries: Coroi [Bank of Commerce and Representation for the Indian Ocean], Roso, Sice, Sinpa [National Agricultural Products Company], Somacodis [Malagasy Collection and Distribution Company], Somaco, Sogedis. Then the prime minister presented the financial situation of the main companies:

Coroi: a sales figure of 30.55 billion Malagasy francs in 1980, with a net profit of 776 million; Roso: a sales figure of 27.57 billion in 1980 and a net profit of 571 million; Sice: 9.85 billion in sales figures and 576 million net profit in 1979; Somacodis: a sales figure of 20.3 billion and 800 million in net profits in 1979; Sogedis: a sales figure of 5 billion and a net profit of 78.3 million in 1979.

At present, the structure of the Sinpa and Sonaco management is under study, because changes should be made so that the firms can become fully operational. Very soon their orientation council will be set up.

Mr Rakotoarijaona estimates that in spite of some firms which do not draw up their balance sheets on time it can be said that, on the whole, the state-owned firms are in full development.

These firms are not only involved in trade, they are also investors and deal with collection and provisions. Thus Sice, Sinpa and Roso have invested 15 million Malagasy francs in Transept (Transit-Transport); Sogedis invested 31 million in Socobis (biscuit factory), and Coroi invested 397 million in ZeMa and ZeRen (fertilizers). Overall, the total investment by Sice, Sogedis, Somacodis, and Roso amounted to 1,305.9 million Malagasy francs in 1979.

The banks also participate in the creation of firms. Thus the three national banks have invested 551 million in firms like Tamalu, ZeRen, ZeMa, Sonaco, Socobis, etc., as well as 1.4 billion in the business sector during the 3 years of the Plan. The national insurance companies Aro and Ny Havana have invested 136 million.

COPYRIGHT: Rene moreux et Cie Paris 1981.

9465  
CSO: 4719/98

FOR OFFICIAL USE ONLY

MADAGASCAR

PERMANENT SOVIET ECONOMIC INFORMATION CENTER OPENED IN ANTANANARIVO

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 19 Jun 81 p 1667

Editorial: "The Soviet Union Is Interested in the Malagasy Market"

Text A permanent Soviet economic center was officially opened on 4 June in Antananarivo, on the occasion of the first exposition organized in the Malagasy capital by the chamber of commerce and industry of the Soviet Union, and which ran from 5 June to 12 June.

Mr Valeri Chpakov, director of Soviet expositions, explained that the aim of the center and the exposition was to strengthen ties with the Malagasy business community, to give information on the potential of Soviet exports in order to strengthen the economic and trade cooperation between the two countries.

The volume of trade between Madagascar and the USSR, according to a Soviet official, has risen to \$53 million between 1976 and 1980.

Malagasy exports (\$31 million for that period) are mainly agricultural in nature, while Soviet sales to Madagascar (22 million) are mainly of heavy equipment, including 1,200 tractors and 300 trucks.

The prospects for 1981, still according to the Soviets, are for the sale of 4,000 tons of coffee and other agricultural products to the USSR, and Madagascar would, for instance, buy an Antonov 26 and 300 light underground vehicles.

Let us also mention that on 27 May a Soviet-Malagasy agreement was signed at the Malagasy Foreign Ministry for the construction of the Ampitambe-Marolambo road section (255 km). It is mainly a matter of paving the highway (with asphalt), the structural work having already been done by the Italian firm Gambogi Construzione. It is a section of the "harmony road" which, when completed, will link the North to the South along the coastline.

COPYRIGHT: Rene Moreux et Cie Paris 1981

9465  
CSO: 4719/98

24  
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MOZAMBIQUE

BRIEFS

AERIAL SPRAYING--An agreement signed between the TTA state company and the Mozambique Sugar Refinery will make it possible to begin this year to apply weed killers to the sugarcane plantations in Dondo by aerial spraying. This change will enable the 350 persons engaged in manual spraying to date to turn to other activities, resulting in a substantial manpower saving. It is planned, moreover, to use aerial spraying for fertilizers as well. Two landing strips will be provided. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81 p 1732] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 5157

COAL TRANSPORT DIFFICULTIES--The CFM [Mozambique Railroad]-Center company has undertaken to transport the initial coal tonnage needed to achieve the production goal of the CARBOMOC [Mozambique National Coal Company], despite the difficulties it has experienced, particularly in the operation of the Moatize-Mutarara line, where the maintenance is substandard, resulting in numerous derailments. Where the coal is concerned, the fact is that the production of CARBOMOC substantially exceeds the number of railroad cars available for its transport, because a substantial number of these cars are in practice being used to store fuel and are not in circulation as they should be. The railroad management would like to speed up and plan rotation more strictly such as to avoid delays. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81 p 1732] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 5157

CSO: 4719/106

FOR OFFICIAL USE ONLY

NIGER

BRIEFS

FRENCH LOAN FOR AQUACULTURE--The Nigerien Council of Ministers adopted a draft ordinance on 24 June authorizing the president of the Supreme Military Council, the head of state, to negotiate a loan for 7.1 million French francs, which is the equivalent of 355 million CFA francs, from the Central Fund for Economic Cooperation (CCCE). The loan is intended to help finance the planned development of Niger's aquaculture through intensive fish breeding operations. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1770] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

WINDING UP OF PUBLIC WORKS COMPANY--Shareholders of the National Company for Large Projects of Niger (SNGTN) held a special meeting on 16 June and announced that, as of that day, the company was dissolved. Baoua Abdou was appointed as liquidator together with a state inspector who will be named at a later date. All the liquidation operations must have the approval of the Niger Government. All mail must be addressed to: SNGTN, Company in Liquidation, (P.O. Box 11623) Niamey. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1770] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

CSO: 4719/124

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

NIGERIA

BRIEFS

CONSTRUCTION AT ABUJA--At the end of June, the firm of Scott, Wilson, Kirkpatrick and Partners signed a 250-million-pound-sterling contract for a study and development project concerning highways, bridges and drainage systems, etc., in the center of the future federal capital at Abuja. The project involved the spreading out of certain sections of heavily traveled highways over the outskirts of the city. The Lagos firm of Gomel Engineering will also be involved, for its part, in the design of this project. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1773] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

COOPERATION WITH POLAND--The joint Polish-Nigerian commission recently held its second session in Warsaw. The Nigerian delegation, of some 10 members, which arrived in the Polish capital was led by the federal planning minister, Mrs Adenike Egun Oyagbola. The commission's work dealt with the study of projects undertaken under the bilateral economic, technical and scientific cooperation agreement signed in 1978. The Nigerian minister recalled that Poland had been the first socialist country to sign such an agreement (MTM of 24 March 1978, p 843). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1773] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

DISCUSSIONS WITH IRAN, GABON--At the end of May, the Nigerian vice president received the Gabonese oil minister, M'Bouy-Boutzit, and his Iranian counterpart, Seid H. Sadat, with whom he held some conversations preliminary to the OPEC conference. During the conversations, the current overabundance of crude oil on the market caused by the production policy of one or two member countries was judged to be "artificial and dangerous to the economies of the other countries in the organization." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1773] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

SOLAR ENERGY--A solar energy research center is to be constructed at Umunyem Nkwerre, in Nigeria. This center is intended for the discovery of agricultural applications. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1773] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

RUBBER PRODUCTION--The rubber research institute of Iyanomo, situated near Benin, in the state of Bendel, is engaged in the selection of hevea seeds for the modernization and expansion of plantations in the country as a whole. According to the



FOR OFFICIAL USE ONLY

institute's director, Dr E. K. Okaisabor, this seed selection should make possible an average production of 3 tons of latex per hectare. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS IN French No 1860, 3 Jul 81 p 1773] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

POWER STATION NEAR LAGOS--The Japanese firm Hitachi announced, at the end of June, that an international consortium, which included, beside itself, Marubeni Corp. and the French company Bouygues, had received from Nigeria a letter of intention concerning the construction of a thermal power station near Lagos, valued at 180 billion yen. The contract will probably be signed with the Nigeria Electricity Power Authority (NEPA) next August. This would provide for the installation of six 200,000-kilowatt, oil-fueled generators and for the construction of housing for some 340 persons. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1773] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

CSO: 4719/132

FOR OFFICIAL USE ONLY

RWANDA

BRIEFS

ECONOMIC PROJECTS--The following socioeconomic events are foreseen for Rwanda during the year: opening the hospital at Kabaya (Gisenyi); opening the tea factory at Mata (Gikongoro); beginning construction of the tea factory at Gisovu (Kibuye); expansion of two tea factories--the Mulindi factory (Byumba), from 3,000 to 3,500 tons of black tea per year, and the Pfunda factory (Gisenyi), from 500 to 1,000 tons per year; opening the Meridien Ibuza hotel at Gisenyi. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1781] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

DEMOGRAPHIC STUDY--From 16 to 31 August 1981, Rwanda will undertake a demographic study, "certain data not having been properly apprehended by the 1978 census," it was decided on 12 May by the Government Council (Council of Ministers) of Rwanda. During the 1978 census (the study of which is not yet complete), some minority populations, such as the Bahima (in the north of the country) left Rwanda with their cattle to settle in Uganda. The Government Council calls on the population to remain calm during this new study and has issued a warning against the troublemakers "who take advantage of these technical operations to frighten off good people." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1781] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

CSO: 4719/132

FOR OFFICIAL USE ONLY

SENEGAL

NATIONAL ASSEMBLY ADOPTS SIXTH DEVELOPMENT PLAN

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1766

[Text] The Sixth Plan of Economic and Social Development, the main trends of which MARCHES TROPICAUX has already reported (see MARCHES TROPICAUX ET MEDITERRANEENS of 17 April pp 1124, 1125) was adopted by the Senegalese National Assembly on 26 June despite a negative vote cast by the deputies of the opposition party (PDS) [Senegalese Democratic Party]. The Sixth Plan, which went into effect on 1 July and will run through 30 June 1985, was previously studied by a joint commission of the Planning and Finance Commissions on 20, 21 and 23 June.

The Sixth Plan calls for an overall capital expenditure of 464,789 million CFA francs as compared to 397 billion CFA francs required by the previous plan (1977-1981) which was fulfilled by 73 percent.

Internal financing sources will provide 117,875 million CFA francs of which 48,824 million will be supplied by the national capital budget. External sources will contribute close to 346 billion CFA francs. From this figure, one must subtract 166 billion CFA francs already procured (and reallocated from the Fifth to the Sixth Plan) to finance projects which were not carried out under the previous plan. Taking into account 50 billion CFA francs worth of expected subsidies, only 130 billion CFA francs worth of external funding will have to be found.

An introductory report notes that the new plan anticipates an annual rate of growth of 3.5 percent. That report also points out that the plan comes at a difficult time because Senegal, a Sahel and nonoil country, has suffered the effects of the drought and of the world economic crisis. This is why the Sixth Plan will place emphasis on direct revenue earning investments in accordance with the recovery program (1980-1985) introduced 2 years ago to achieve an economic and financial take-off.

In the Sixth Plan, priority is given more particularly to cutting down energy dependency (Senegal's oil bill has jumped from 5 billion CFA francs in 1972 to 50.6 billion in 1980) by extracting oil and mining lignite and peat, and to the problem of water resources to make agriculture less dependent on rainfall. Another priority is self-sufficiency in food supplies. Senegal's food bill--mostly rice imports--is estimated to be 36 billion CFA francs.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The Senegalese plan is going to allocate 151,851 million CFA francs (or 34 percent of its total outlays) to the secondary sector and 106,652 million (or 24 percent) to the primary sector with half of this sum going to agriculture.

Moreover, 99,276 million CFA francs will be allocated to the tertiary sector (or 22 percent of the total) and when the Sixth Plan is completed the results will be more hotel accommodations, a repaired road network, production trails built and new main roads such as the roads between Louga and Mankhan and between Kedougou and Saraya. The carrying capacity of SOTRAC [Mass Transit Company] will be increased, the railroad tracks restored and the telephone network improved.

Finally, 90.699 million CFA francs (or 20 percent of the total outlays) will be assigned to the quaternary or social sector where the main projects under consideration are, among others, to build 2,000 low-cost classrooms, to create technical education centers, to operate first aid and cultural centers, to build the Friendship Stadium. Other projects are the high school and hospital in Tamba, the Railroad Administration's vocational school in Thies, the regional high school in Louga and the expansion of the program of "rehabilitated areas" in other regional capitals.

According to Louis Alexandrenne, Senegalese minister for planning, it will be possible to mobilize the financial resources to pay for this plan because the burden of Senegal's external debt (which was 230 billion CFA francs in fiscal 1979-1980) and the cost of servicing that debt will decline in the coming years since, from now on, Senegal will try its best to seek loans at low interest rates similar to the loans granted by the World Bank. This bank and the International Monetary Fund have decided to contribute to the implementation of the Senegalese plan. According to the minister, this coming October the World Bank will sponsor a Paris meeting of financial backers to get foreign credits for Senegal.

During the parliamentary debate, Mamadou Fall Puritain of the PDS criticized the technical advisers of the Senegalese Ministry of Planning: "The Sixth Plan was drawn by foreigners, a fact which does not bring much credit to us since we know that our own cadres could have worked it out." As for Fara Ndiaye (PDS), he said: "This plan is, in our view, the expression of a policy which we condemn. A policy that has opted for economic stagnation, for economic dependency. The plan seeks to achieve an overall rate of growth of 3.5 percent. But considering that during that same period Senegal's population will increase at the annual rate of 2.7 percent, the real rate of growth will be 0.8 percent." Finally, Joseph Mathiam (Socialist Party) deplored that the regional budgets were not included in the plan.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796  
CSO: 4719/124

FOR OFFICIAL USE ONLY

SENEGAL

BCEAO GIVES STATISTICS ON RECENT ECONOMIC DEVELOPMENTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 pp 1766, 1767

[Text] One of the latest reports on economic and monetary statistics issued by the Central Bank of West African States (BCEAO) deals with Senegal.

The main agricultural products marketed during the 1979-1980 farming year were: 393,400 tons of oil-yielding peanuts (down by 381,000 tons compared to the previous crop year); 26,868 tons of cottonseed (down by 6,934 tons); 121,100 tons of paddy rice (down by 5,900 tons) and 45,400 tons of corn (down by 1,400 tons) which in terms of money represent 17.9 billion CFA francs (down by 14.2 billion) for oil-yielding peanuts, 1.5 billion CFA francs (down by 0.2 billion) for cottonseed, 5 billion CFA francs (down by 0.3 billion) for paddy rice and 1.7 billion CFA francs (down by 0.1 billion) for corn.

At the beginning of the current 1980-1981 crop year, the prices paid to the farmers for their product increased from 45.50 to 50 CFA francs per kilo of oil-producing peanuts and from 55 to 60 CFA francs per kilo of cottonseed.

The low yields of the 1979-1980 farming year were reflected in the amount of peanuts delivered to the oil mills--241,400 tons for the first 7 months of 1980--and in the volume of exports which, for the first three quarters of 1980, amounted to 49,300 tons of unrefined oil (down by 45,600 tons), 6,400 tons of refined oil (down by 5,600 tons) and 89,900 tons of oilcake (down by 71,600 tons).

In 1980, the phosphate industry produced 1.4 million tons of calcium phosphate (down by 200,000 tons) and 224,000 tons of alumine phosphate (down by 40,000 tons); 1.3 million tons of calcium phosphate were exported (down by 100,000 tons).

In 1980, 131,000 tons of clinker (up by 52,000 tons) and 371,000 tons of cement (down by 8,000 tons) were produced.

The tuna fishing industry brought in 8,300 tons of catches in 1980 (800 tons less than in 1979) which went to the local canning factories.

During the first 8 months of 1980, the international airport of Dakar registered 9,779 commercial flights and the arrival and departure of 375,300 passengers and 4,900 tons of freight.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The industrial production index, oil-mills excluded, registered a significant decline: 157.8 by the end of the third quarter of 1980 compared to 189.5 a year earlier (taking as a basis the figure 100 set for 1969).

The same trend appears in the commodity turnover index of major commercial enterprises: 208 by the end of December 1980 compared to 219.6 at the end of December 1979 (taking as a basis the figure 100 set for 1970).

At the end of February 1981, the general price index for the consumption of an African family in Dakar was 283.3 compared to 274.1 at the end of March 1980 (on the basis of the figure 100 set for 1970). On 1 January 1981, the interoccupational guaranteed minimum wage was raised from 133.81 to 140.50 CFA francs.

The general budget for the July 1980-June 1981 fiscal year was set at 137.6 billion CFA francs (3.4 billion more than in the previous budget); it includes 17 billion CFA francs of revenues generated by external contributions (up by 2 billion) and 22 billion CFA francs of capital credits (down by 2 billion).

The duties and taxes collected by the customs services amounted to 50.6 billion CFA francs for 1980, 96 percent of which represented import duties. The receipts for January 1981 totaled 3.8 billion CFA francs.

By the end of December 1979, the exchange value of Senegal's external debt was 133.1 billion CFA francs at the present rate of exchange (up by 28.3 billion for the year) and the exchange value of the available reserves of unused credits was 99 billion CFA francs (up by 12.2 million). In 1979, the servicing of that debt (interest and amortization) required 22.6 billion CFA francs (2.8 billion more than on the previous year).

The paper money supply (bills and coins) amounted to 56 billion CFA francs on 31 December 1980 (an increase of 4.1 billion for the year). At the end of November 1980, the volume of checking account deposits and term deposits collected by the banking system was 123.4 billion CFA francs (an increase of 8.7 billion CFA francs over a period of 11 months). On the other hand, 259.4 billion CFA francs of credits to the economy had been disbursed by 30 November 1980 (17.5 billion more than at the end of December 1979) and the main recipients of these credits were the business and construction sectors and the food industry.

Also on 30 November 1980, the Senegalese Treasury had a local debt of 17.2 billion CFA francs including a 12.7 billion deficit in the Central Bank compared to a 19.2 billion deficit at the end of December 1979 (9.2 billion of which were advances from the Institute of Issue). The situation with regard to external assets has deteriorated showing a deficit equivalent to 95.4 billion CFA francs on 30 November 1980 compared to 79 billion at the end of December 1979.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796  
CSO: 4719/124

## FOR OFFICIAL USE ONLY

SENEGAL

## BRIEFS

NEW INVESTMENT CODE--A new Investment Code was passed on 27 June by the Senegalese National Assembly. The new code which, according to its preamble, is intended to act as an incentive, offers further advantages to enterprises based outside the Dakar region; it relaxes conditions for approval, confines to direct taxation the stabilization clause in favor of contractual enterprises and grants added value incentive payments. The code envisages exemptions for rents paid on account of leasing, for interests stemming from loans, for spare parts (restricted to 100 percent of the cost before taxes) and for the fuel used in permanent installations. What Senegal is trying to achieve with this new code is to attract annual investments of 100 billion CFA francs and to generate 8,000 additional jobs per year, said Habib Thiam, the Senegalese Prime Minister, in a speech which he made last January at the National Assembly. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1765] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

1981-1982 BUDGET--On 12 June, the Senegalese National Assembly adopted the draft budget for the 1981-1982 fiscal year with revenues and expenses set at 220,169 million CFA francs representing an increase of 26,756.78 million CFA francs (up by 11 percent in relative value) compared to the previous budget (193,412.22 million CFA francs). The general budget is based on three chapters: the operational budget (125,493 million CFA francs), the investment or capital budget (55,602 million) and the treasury special accounts amounting to 39,074 million CFA francs. Compared to the budget previously prepared by the Senegalese Government (see MARCHES TROPICAUX ET MEDITERRANEENS of 10 April 1981, page 998)--212.17 billion CFA francs for revenues and 211.19 billion CFA francs for expenses--one can see that apart from a net increase of more than 8 billion CFA francs, there is a complete redistribution of appropriations among the various chapters of the general budget. But while the operational budget remains the same as in the government's draft budget (125.5 billion CFA francs in both cases), the capital budget jumps from 21.2 billion CFA francs in the draft budget to 55.6 billion and the special accounts drop from 65.5 billion in the government draft to 39 billion CFA francs in the budget voted by the assembly. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1766] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

LOAN TO ICS--A communique issued by the World Bank, on 25 June, states that this bank has granted a \$19.3 million loan to Senegal to help finance the construction of a railroad to transport raw materials, supplies and goods involved in a project of the Chemical Industries of Senegal (ICS) to produce fertilizers. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1767] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

CSO: 4719/124

FOR OFFICIAL USE ONLY

SOUTH AFRICA

BRIEFS

SECRET NEGOTIATIONS WITH USSR--Secret negotiations continue between South Africa and the USSR to gain joint control of the world market for strategic materials. The South African company Anglo-American is reported to be talking mainly with Boris Sergea, deputy chief of the Soviet office for trade in platinum and diamonds. [Text] [Paris JEUNE AFRIQUE in French No 1072, 22 Jul 81 p 35] [COPYRIGHT: Jeune Afrique GRUPJIA 1981]

CSO: 4719/194

FOR OFFICIAL USE ONLY



FOR OFFICIAL USE ONLY

TANZANIA

MINISTER PRESENTS ECONOMIC PLAN ESTIMATES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 pp 1779, 1780

[Text] On 18 June, Kighoma, Tanzanian minister of state for planning and economic affairs, presented to the National Assembly in Dar es Salaam the 1981-1982 estimates and economic plan. On that same day, Amir Jamal, Tanzanian finance minister, outlined the draft budget for that fiscal year (see MARCHES TROPICAUX ET MEDITERRANEENS of 26 June 1981, page 1725).

Professor Malima told the assembly that "in view of the economic difficulties encountered during the 1980-1981 fiscal year which are still present," "concrete and strong" measures will be taken to strengthen and develop the economy. These measures encompass the ones contained in the National Economic Survival Program which continues to be implemented. They are:

--to increase and strengthen food production;

--to go ahead with an economic restructuration and to increase productivity in all sectors of production of goods and services;

--to improve the people's living conditions in villages with better social and economic services;

--to increase foreign reserve earnings by boosting foreign trade through the sale of more animal farming products and through the exploitation of natural resources (fishing, mining) while directing the processing industry toward the domestic and export markets.

The higher food crops which are expected for 1981-1982, as a result of a greater acreage of planted areas and improved storage facilities, should enable the National Milling Corporation (NMC) to purchase during that period 200,000 tons of corn, 60,000 tons of rice, 45,000 tons of wheat, 50,000 tons of sorghum and millet, 60,000 tons of cassava and 40,000 tons of beans.

Estimated figures for cash crops during the fiscal year are: 55,000 tons of coffee, 64,800 tons of cotton, 101,000 tons of sisal, 60,000 tons of cashew nuts, 20,700 tons of tobacco, 20,000 tons of tea and 3,000 tons of pyrethrum.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The GDP (gross domestic product) could increase by 4.5 percent in 1981, compared to 3.6 percent in 1980, as a result of the proposed measures, Malima said.

The minister of state also noted that the lack of foreign reserves are making it difficult to implement the 5-year plan. For instance, during fiscal 1979-1980, the plan had called for an expenditure totaling 8.15 billion Tanzanian shillings for 1,985 projects. But, in fact, only 328 projects (16.5 percent of the total number) could be carried through during that period while 27 others had to be postponed and 109 were not started at all. Overall material targets set for these projects were only met by 40.5 percent and projected expenditures by 56.3 percent.

In its financial aspect, the program for the fiscal year ending on 30 June 1981 was only fulfilled by 67.2 percent representing 4.7 billion shillings.

For the 1981-1982 period, the development program will count with the following credit increases: 20.9 percent more banking credits (3.05 billion shillings), 24.1 percent more public loans from banking institutions (2.85 billion shillings) and 15.5 percent more banking credits in the private sector (1.1 billion shillings).

Professor Malima added that Tanzania's foreign reserves would decrease by 400 million shillings during the 1981-1982 period, a similar drop to the one registered during the previous fiscal year.

The plan allocates 10.81 billion shillings to fiscal 1981-1982, compared to 10.66 billion shillings allocated to the previous year. That figure includes actual government credits and resources which the Tanzanian quasi-public companies may manage to obtain by their own means (their own funds and loans) which are estimated to amount to 4.19 billion shillings.

That total will be divided with 53 percent of it going to the sector known as "productive," 32 percent to economic infrastructures and 15 percent to social infrastructures. Let us point out that the development budget of the Tanzanian state for 1981-1982 will be reduced to 6.62 billion shillings while for the 1980-1981 period it was 7.11 billion (down by 6.9 percent). But this cutback is minimal since only 4.78 billion shillings could be assigned to the development budget during the fiscal year just ended.

The projects included in the plan are divided into two categories, A and B. Only the first category counts with fully identified funding. As a result of the economic difficulties confronting Tanzania, only 5.8 percent of the expansion budget will be assigned to new projects.

The expansion budget for regional government services gives priority to social services (35.3 percent of the 738 million shillings allocated to the regions).

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796  
CSO: 4719/124

FOR OFFICIAL USE ONLY

TANZANIA

OBJECTIVES OF PROGRAM FOR ECONOMIC SURVIVAL NOTED

London NEW AFRICAN in English No 166, Jul 81 pp 52, 53

[Article by Kusai Kamisa]

[Text]

FROM THIS MONTHS, Tanzania will embark on an intensive and comprehensive 'Programme for Economic Survival'. It will aim at stimulating agricultural and industrial production in a bid to reactivate the economy as part of the country's fourth five-year development plan.

The programme, details of which have not been published, was adopted by the ruling Chama Cha Mapinduzi (CCM) National Executive Committee during its recent four-day meeting in Dar es Salaam under the chairmanship of President Julius Nyerere.

After thorough discussion by the committee, the programme drafted by the government, was adopted and referred back to the government for implementation.

According to CCM chief executive secretary Daudi Mwakawago, one of the plan's prime aim is to achieve in the first 12 months an export target of agricultural and industrial commodities in excess of Shs.6,000-million which is Shs.1,000-million over the 1979/80 period.

Among important factors of production, the country's 8,000 Ujamaa villages, where at least 14-million of the 18-million Tanzanians live, are going to play a key role in realising the goals of the 'survival plan'.

With the exception of tea and sisal, other foreign exchange earners including cotton, cashews and coffee are mostly grown by "socialist unit" workers.

Economists are optimistic that the government will, in responding to demands of the plan, offer more incentives to the peasants than at any point in history in order to realise the goals.

Briefing reporters after the NEC meeting, Mwakawago said the survival plan was conceived on account of the country's current economic problems, especially with regard to constraints on foreign exchange.

"The aim of the plan is to do everything possible ourselves to reactivate the economy without waiting for external assistance", he explained. This would be achieved by consolidating present capital-generating projects and providing the necessary inputs and credits, especially in rural areas and other productive sectors.

The NEC also endorsed and reiterated President Nyerere's rejection of claims by the Western and Western-oriented mass media that Tanzania's present economic difficulties are due to her socialist policies.

### The "idiots"

In Tabora, central Tanzania, President Nyerere urged his country's workers and the peasantry to ignore claims by enemies that present difficulties were due to socialism. He described such claims as "preposterous howlings of idiots". Even the leader of the capitalist world, the United States, he said, was at present experiencing serious economic

FOR OFFICIAL USE ONLY

## FOR OFFICIAL USE ONLY

problems. "Has the US gone socialist?" he asked.

He emphasised Tanzanians would not abandon socialism because the reverse was "a system of legalised slavery and robbery". "We did not achieve independence to have a few in our midst fattening themselves with the sweat of others. Socialism is equality and justice. Capitalism is inequality and injustice," he said.

During the past five years, Tanzania remained predominantly an agricultural economy, according to the country's Board of External Trade, with 93 per cent of the economically active population engaged in agriculture. The agricultural sector has been responsible for the generation of about 70 per cent of the total export earnings, while the rest, including mining and manufacturing, contributed 30 per cent.

Whereas exports in the 1975/80 period grew from Shs.2,589.3-million to Shs.4,355-million, representing a growth of 71 per cent, imports soared from Shs.5,303.4-million to Shs.10,403-million, representing a rise of 96.1 per cent.

These figures show a trade deficit of from Shs.2,714.1-million in 1975 to Shs.6,048-million in 1980, an increase of 123 per cent. The deficit is expected to rise to Shs.6,257-million by the end of the year.

Some of the external factors which, according to the board, are responsible for this bleak picture are adverse weather conditions, imported inflation and world recession.

The internal factors include production inefficiencies, transportation and other related bottlenecks, and unsatisfactory payment to growers.

In a paper on export promotion, the director-general of the Board of External Trade, M.K. Mwandoro, concludes:

"Presently our balance of payment position is unhappy, the performance of our export sector is unsatisfactory and

the prospect of immediate improvement is bleak. But given the will to increase production, ready availability of export credits on softer terms, introduction of an effective export credits on softer terms, introduction of an effective export incentive scheme and above all our desire and initiative to work together to overwhelm the problems, the improvement of the balance of payment position may be difficult but not irreversible.

### Crude oil

At present 60 per cent of the export earnings pays for the 700,000 tonnes of imported crude oil compared to 10 per cent which paid 800,000 tonnes in 1972/73. The 100,000 tonnes reduction has been achieved through rationing and evolving alternative sources of energy such as hydro electricity to run factory machines instead of diesel.

The economic survival plan envisages to use self-reliance as a sure, the nearest and best means at the disposal of the people to obviate the experience of an obviously worsening immediate future.

"No economist believes that producers of oil or finished products which we need badly will ever be sympathetic to the plight of countries like Tanzania," One party official said, "We can only beat the situation by the correct application of our own resources."

Meanwhile, it has been announced here than an ambitious coffee industry development programme aimed at raising production from the present 65,000 tonnes a year to 80,000 tonnes by 1985/86 will be launched in October this year.

The programme, to be financed jointly by the Tanzania Government and the European Economic Community, will cost Shs.900-million with the EEC meeting the external expenses amounting to Shs.400-million. The scheme is to be undertaken as Lome II-aided project.

COPYRIGHT: 1981 IC Magazines Limited

CSO: 4700/270

FOR OFFICIAL USE ONLY

TANZANIA

## FURTHER PETROLEUM CONSERVATION MEASURES

London NEW AFRICAN in English No 166, Jul 81 p 30

[Article by Abdulla Riyami]

[Text]

THE TANZANIAN Government has announced further measures to conserve petrol in the face of rising crude oil prices and lack of foreign exchange. Deputy Minister for Water and Energy Edgar Maokola Majogo said petrol would only be sold for three days a week - Mondays, Tuesdays and Wednesdays.

He added that previous restrictions, such as rationing petrol for public vehicles to between 60 and 70 litres a week would be enforced, and that special permits issued previously to certain vehicles had been withdrawn. A restriction on Sunday driving was being strictly enforced and petrol would not be sold on public holidays, Minister Majogo said.

In order to deal with the energy problem effectively, a National Energy Committee has been set up to ensure conservation regulations are complied with. Regional and district committees will also be formed to enforce the measures.

Appealing to the public to help the government conserve fuel, the minister said that before 1973 a barrel of crude oil sold at \$2.6. After the Israeli-Arab war the price went up to \$11.6 a barrel. Since then fuel prices have risen astronomically, reaching \$36.8 a barrel.

He said price increases for crude oil were reflected in the price of refined oil thus forcing Tanzania to dig deep into its

meagre foreign currency reserves. He said Tanzania was expected to spend over US\$ 364-million this year against a 1973 figure of US\$ 29-million.

The new measures meant 41 per cent of regular petrol and 15 per cent of premium petrol would not reach the market. Kerosine and aircraft fuel would not be affected.

**Carts, not cars**

In 1978, the Tanzanian government spent some \$118.5-million in importing 1,025 tonnes of fuel, and last year it spent an estimated \$2,990-million.

According to the Petroleum Intelligence Report, which gathers information from World Bank, IMF, UNCTAD and OECD official records, major oil companies are still "minting money" at the expense of primary production at a time when the purchasing power of poor countries is diminishing. British Petroleum (BP) increased its net income by 302 per cent between January and September 1979 when producer prices had gone up by only 31 per cent.

President Julius Nyerere advised residents in Dar es Salaam recently that where possible they should use non-fuel consuming transportation such as carts, instead of depending on petrol or diesel-driven vehicles. ●

COPYRIGHT: 1981 IC Magazines Limited

CSO: 4700/270

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

TANZANIA

BRIEFS

SWEDISH, YUGOSLAV, NETHERLANDS AID--Tanzania is to receive Shs. 3,600-million (£211-million) over the next three years from Sweden, Yugoslavia, and Holland to fund projects in industry, health, forestry, rural water supply, energy, telecommunications, education and financial and technical development. Air Tanzania will also benefit from the aid package. Tanzania and Mozambique are to increase trade links. Tanzania will export an initial 600,000 hoes to Maputo to be followed by aluminium products, cocoa and coffee beans and textiles, and will import among other products, truck and tractor tyres, and welding components. A Tanzanian official called the agreements a milestone toward the objectives of the Southern African Development Co-ordination Council (SADCC) to which Angola, Zambia, Zimbabwe, Malawi, Botswana, Lesotho, and Swaziland also belong. [Text] [London NEW AFRICAN in English No 166, Jul 81 p 56] [COPYRIGHT: 1981 IC Magazines Limited]

CSO: 4700/270

41

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ZAIRE

BRIEFS

DIAMOND SALES--SOZACOM (Zairian Company for the Marketing of Ores), which will henceforth market Zairian diamond production, had sold 940,000 carats of diamonds as of 22 June. The first sale took place on 29 May and dealt with 620,000 carats sold to three approved purchasers. Another sale, for 320,000 carats, took place on 22 June. Let us recall that since 26 May, by virtue of the edict-law of 2 April regulating the conditions for marketing Zairian ores and mining products, SOZACOM, which is a public enterprise, has a monopoly on the sale of the country's diamond production, a monopoly which had been held since 1967 by the firm of Britmond-Zaire, of the De Beers group. The taking back of the diamond sales monopoly by SOZACOM was dictated by a concern for reducing considerably the commissions and costs of marketing, which had been set by Britmond-Zaire at 25 percent until 1979, then reduced to 20 percent since the beginning of last year. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1860, 3 Jul 81 p 1778] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9434

CSO: 4719/132

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ZAMBIA

CITIZENS SEEN FACING PRIVATION UNTIL CORRECTIVE MEASURES WORK OUT .

Paris AFRIQUE-ASIE in French 6-19 Jul 81 pp 31, 32

[Article by Masautso Masautso: "A Sick Economy"]

[Text] The Zambian economy is in a bad way and the nation has been called on to accept austerity measures.

The country's foreign exchange reserves have declined due to the fact that world market copper and cobalt prices have dropped, while oil and corn prices have not stopped rising.

With the volume of available reserves declining and the needs of a changing economy becoming more pronounced, the situation has gotten worse.

During the past 5 years the average yield of the economy has been unsatisfactory, with an average drop of 1.5 percent in the real growth rate. Taking into account the worsening of trade conditions, the drop in the GNP amounts to about 4.5 percent.

During the third quarter of 1980 the budget deficit went to \$100 million as against \$80 million for the previous quarter.

The total deficit for 1980 is expected to exceed \$200 million. This deficit was financed by the exhaustion of reserves and the accumulation of arrears. The immediate consequence: a shortage of essential commodities and high prices for those that are available.

The mining sector, which is still the sole major provider of foreign exchange, has had to deal with serious problems ranging from the shortage of spare parts to the galloping price of fuel, lubricants, machines and equipment.

#### An Ambitious Program

This, as well as other problems, has considerably raised industry's costs and reduced its profitability.

As a result of all these problems industry's rate of growth fell by one point from 17.6 percent in 1976 to the record low of 20.5 percent in 1979. The situation improved somewhat last year when the rate dropped by only 1.3 percent.



FOR OFFICIAL USE ONLY

The constraints of foreign exchange have also had adverse effects on farming, ready-made clothing, construction and other industries which for the most part have recorded negative growth rates.

In the face of this serious situation, the government has taken steps to try to save the country from ruin.

Strict financial discipline has been instituted in the civil service and other organizations that depend on government subsidies. This is an important measure since the comptroller general's report reveals obvious anomalies with regard to government expenditures, year after year.

Several ministries and embassies have always spent too much — in some cases without parliamentary approval. Last year about \$9 million in excess expenditures were incurred, \$2 million of which were disbursed in violation of the Constitution.

Through the National Committee for Developmental Planning, Zambia's strategy for 1981 is aimed at raising the growth rate of actual production through utilization of existing capacities and increased control over parastatal and private sector investments.

The government has, furthermore, called for well-planned and disciplined utilization of foreign exchange and more investment in the farm sector. Zambia hopes to achieve self-sufficiency in its food needs through an ambitious food production program extending over a period of 10 years. This program, which will cost about \$400 million, is being successfully carried out with the aid of a number of countries and international financial agencies.

Against this background of virtual bankruptcy, Zambia is rapidly acquiring a reputation as a "beggar nation." The news that the government had successfully concluded a second agreement on an International Monetary Fund (IMF) loan was, therefore, received by Zambians with moderate enthusiasm. While some people feel that the loan may help in treating the sick economy, others think that there are too many loans and that the government is mortgaging the nation to the advantage of the lenders. What is at any rate true is the fact that, if Zambia does not borrow, imports will dry up resulting in a new drop in production.

The Zambian economy is unfortunately oriented toward imports and, if they were to cease, the result would be economic chaos, which could give rise to political anarchy.

The loan now being negotiated by Zambia, estimated at about \$200 million, is part of the Extended Fund Facilities (EFF) and payments on it are scheduled to begin in 1984. The 1978 stand-by loan was programmed for a period of 2 years and it was agreed that repayment would begin next year.

The first loan was intended to support the balance of payments and was chiefly designed to stabilize the economy, whereas the EFF will be growth-oriented.

Zambia's IMF quota is currently estimated at 211.5 million special drawing rights (SDR). According to financial sources, the country has asked the IMF to grant it a supplementary subsidy. This would serve for the importing of raw materials and

FOR OFFICIAL USE ONLY

other products to revitalize the economy, pay foreign suppliers and revalue the nation's credit standing.

IMF Conditions

Negotiations between the Zambian Government and IMF officials, begun last year, went on for a long time. But given the fact that the IMF negotiating team appears to have reached agreement in principle to provide Zambia with the loan — on condition that it is approved by the Executive Bureau — it seems that the team is satisfied with the fiscal measures the government has adopted for this year's budget to vouch for the economy.

According to well-informed sources, for Zambia the coup de grace was administered at State House when President Kaunda met with the IMF team in February. The Zambian Government had originally asked for a sum almost equivalent to the balance of payments deficit.

At any rate the favorable conclusion of the IMF deal has raised questions as to the conditions the IMF imposed on Zambia. Rumors of devaluation of the kwacha, the Zambian unit of currency, are circulating but, given the fact that it has dropped in value in comparison with last year, devaluation may not be one of the conditions. The government, however, might just as well have to place a ceiling on bank loans as to reduce government expenditures. We have even heard that the IMF has obtained the government's assurance that the annual allocation to the party to fund the salaries of its workers would not be renewed. This year Parliament voted an allocation of about \$3 million to the ruling party, the UNIP [United National Independence Party].

One imperative condition is that the government stop subsidizing deficit-incurring parastatal agencies funded by the government, especially those of the farm sector. This means that the price of fertilizers will rise, resulting in skyrocketing prices for flour products, the main staple.

Until these corrective measures produce results, Zambians will have to reconcile themselves to many hardships because it will get to be expensive to feed oneself in the near future, given the fact that food prices are destined to climb.

COPYRIGHT: 1981 Afrique-Asie.

11,466  
CSO: 4719/136

FOR OFFICIAL USE ONLY

ZAMBIA

BRIEFS

MINING COOPERATION WITH ZAIRE--Muyafa Mumbuna, Zambian minister of mines, went to Zaire at the end of June and during his visit he discussed with the Zairian authorities the question of cooperation between Zaire and Zambia in the mining sphere and how to coordinate the activities of the ICCEC (Intergovernmental Council of Copper Exporting Countries) to stabilize the price of that red metal in the world market. On 22 June, Mumbuna stated in Kinshasa that the countries which produce copper and cobalt ought to have a meeting as soon as possible to examine the effects of a future exploitation of the seabed by industrialized countries. The minister, who is also the acting chairman of ICCEC, underscored that such exploitation would deal a "fatal blow" to the economies of the producing countries. Mumbuna also said that he was in favor of creating a united front of copper producing countries, as was done by the OPEC member nations, to guarantee the stability of copper prices in the world market. It is with this in mind, he noted, that he has started a campaign to sensitize all copper producing countries. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 3 Jul 81 p 1780] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

FRENCH, JAPANESE VEHICLE ASSEMBLY--Zambia's State-run Industrial Development Corporation (INDECO) has agreed to allow the assembly of French and Japanese vehicles at their plant in Livingstone, in the south of the country. INDECO has 70 percent holding in Livingstone Motor Assemblers with Italian Fiat as part owners. This also paves the way for agreements to assemble Peugeot 504 saloons and pick-up trucks and Isuzu pick-up trucks at the plant. The plant is expected to assemble 2,000 Fiat cars, 1,000 Peugeots, including 700 pick-up trucks and 1,500 Isuzu pick-up trucks annually. [Text] [London NEW AFRICAN in English No 166, Jul 81 p 56]

COPYRIGHT: 1981 IC Magazines Limited

CSO: 4700/270

END

FOR OFFICIAL USE ONLY