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# Sub-Saharan Africa Report

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SUB-SAHARAN AFRICA REPORT

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CONTENTS

INTER-AFRICAN AFFAIRS

BRGM Activities in African Countries (MARCHES TROPICAUX ET MEDITERRANEENS, 10 Jul 81).....	1
Nairobi Summit May Lead to Afro-Arab Summit (Samir Gharbi; JEUNE AFRIQUE, 29 Jul 81).....	6
OAU, ECA Compete for Economic Policy-Making Role (Samir Gharbi; JEUNE AFRIQUE, 22 Jul 81).....	8
Interventions in 1980 of West African States Central Bank (MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81).....	10
Shortfall in Drought Control Aid Bombshell for Sahel (NEW AFRICAN, Jul 81).....	12
Outlines of New French African Policy (MARCHES TROPICAUX ET MEDITERRANEENS, 10 Jul 81).....	14
Political Realities Will Slow French African Policy (Mark August Nyirenda; NEW AFRICAN, Jul 81).....	17
Briefs Rice for Africa	20

ANGOLA

Relations With Mitterrand Government Viewed Auspiciously (San Fle; AFRIQUE-ASIE, 20 Jul-2 Aug 81).....	21
Briefs Relations With France	24

- a - [III - NE & A - 120 FOUO]

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BURUNDI		
Briefs		
Conflict With Zaire Denied		25
Rural Development Credit		25
CAPE VERDE		
Military Relations With Portugal Reportedly Impossible (AFRIQUE-ASIE, 20 Jul-2 Aug 81).....		26
GABON		
Briefs		
Concern About Sao Tome		28
MALAWI		
Briefs		
Air Link With France		29
Studies on Ethanol Production		29
MALI		
Central Bank of Mali Reports on Economic Situation (MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81).....		30
NIGERIA		
Briefs		
No Preferential Oil Prices		32
Airline to Benin		33
Cooperation With Greece		33
Currency Reserves, Liquid Assets		33
Industrial Output		33
UPPER VOLTA		
Five-Year Plan Objectives Discussed (MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81).....		34
ZAIRE		
Mobutu Takes on De Beers Over Diamond Exploitation (Jean Pourbaix; POURQUOI PAS?, 16 Jul 81).....		37
Foreign, Domestic Activity in Oil Operations (MARCHES TROPICAUX ET MEDITERRANEENS, 26 Jun 81).....		40
Briefs		
Nguza To Publish Book		43

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INTER-AFRICAN AFFAIRS

BRGM ACTIVITIES IN AFRICAN COUNTRIES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861, 10 Jul 81 pp 1814-1815

[Article--passages enclosed in slantlines printed in italics or boldface]

[Text] In its annual report for the fiscal year 1980, the /Geological and Mineral Prospecting Office (BRGM)/ first of all notes several striking facts about the period in question, among which one will find, regarding Africa: the first concrete development of a mining project in francophone Africa with Poura (Upper Volta); commendable technological advances in the Dikulushi and Dourekiki projects, respectively in Zaire and Gabon; the clarification of BRGM's position in the /Tenke-Fungurume Mining Company/ (Zaire) with the turnover of 26.5 percent of the shares to the /General Company for Nuclear Materials (COGEMA)/; a resumption of activities in southern Africa with the start-up of a prospecting operation in northern Mozambique; and the completion, under the auspices of BRGM, of some 400 local community water projects in six francophone African countries and in Guinea-Bissau.

One also notes that the BRGM advisory role on the /Red Sea Commission/ has been renewed for 3 years.

The report then elaborates on a sectoral basis on the activities carried out in the period. We have extracted the following data on overseas France and Africa from this report.

/--Mineral Resources./ With regard to the /provision of mining services,/ in /Guyana,/ the work accomplished under the first 5-year program has been consolidated, and a map (scale 1: 500,000) of mineral deposits has been published. Evidence has been discovered of significant reserves of kaolin in the Charvein region. Gold operations have expanded, and one exploration proposal (Changement) has been presented to the mining operators. Prospecting for diamonds in the Inini basin has helped delineate a new zone where the alluvia have sometimes shown promising ore content. Finally, the geological mapping of the Upper Oyapock basin has been completed.

In /New Caledonia,/ prospecting has covered three main areas: the southern part of the territory (granitic-diorite in the chrysolites), the western coast (basalts), and the central chain.

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The countries of /francophone Africa/ remain closely associated with the BRGM in activities supported by the ministry of cooperation which completes efforts made by the states to develop their natural resources. Some of these operations are in the nature of resource identification and classification, and some are directed toward the study in greater depth of already-discovered mineral deposits, the development of which could ameliorate the short-term economic position of the country. Financing from European sources sometimes complements that of the ministry of cooperation: for example, in the survey now under way in southwest /Cameroon/. In /West Africa,/ phosphate prospecting has been resumed in a more complete and systematic way, with the object, /in Senegal,/ on the one hand, of discovering new deposits that would make it possible to increase present exploitation, and on the other hand, of developing confirmed indications along the river with a view toward regional development; in /Guinea-Bissau,/ of producing evidence of sufficiently large deposits to justify new exploitation; in /Mali,/ (Tilemsi) of local or regional utilization of good-quality, easily assimilable phosphates.

In /Upper Volta/ systematic exploration of possible evidence of gold deposits in the Gangaol region has been started, and so far results have proved encouraging. In /Gabon,/ surveying operations in the Nyanga region have continued. In /Burundi/ and /Equatorial Guinea/ general exploratory operations have begun, and are among other things making use of geochemical methods.

In another field, BRGM has continued to assist in the administration of mines in /Zaire,/ through the mining mission that has been seconded to the country's authorities.

Since 1975, France's cooperation policy has been extended to new countries and gets financing provided by the ministries of industry and foreign affairs. In /Sudan,/ prospecting missions have found new indications of gold and base metals, while the first studies made of similar indications and of tungsten deposits confirmed their commercial interest. In /Tunisia/, investigation of the lead-zinc potential in the north central region has continued, in association with the National Mining Office; the encouraging possibilities found in 1979 have been confirmed. The stratigraphic and mineralogical study of the antimony deposits in central /Morocco/ has continued.

With regard to /mineral prospecting/ in /Guyana,/ several formations have been discovered in the Adieu-Vat sector, in wake of the detailed work intended to pin down the depth of the mineral deposits. In /New Caledonia,/ the prospecting for chrome by means of surveys carried out in association with /SLN [expansion unknown]/ of four sites in the southern part of the territory has not produced evidence of economically exploitable reserves.

In /francophone Africa,/ prospecting centers around phosphates, iron, gold, and base and alloy metals, and the work is often carried out in joint efforts. In /Mauritania,/ prospecting for phosphates is being carried on in the southern part of the country; it complements the work undertaken by Senegal along the riverbank, as part of a cooperative effort. In /Senegal,/ BRGM has continued to support the /MIFERSO [Eastern Senegal Iron Mining Company]/ corporation of which it is a share-holder, in the assessment of the Faleme iron deposits, as it does in /Cameroon/ with respect to the development of Kribi's iron deposits as leader of

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the consortium; these two very different projects are important to the economies of both these countries. In /Upper Volta/ (Black Volta consortium), in /Gabon/ (Eteke consortium), in /Mali/ (Kenieba and Kangaba regions), and in Senegal (SABODALA), prospecting for gold has continued in hopes of rapidly obtaining concrete results. In /Ivory Coast/, exploration for base metals has been carried out based on data provided by an aerial electromagnetic survey. Diamond prospecting has continued under partnership arrangements in /Gabon/ and /Mali/ under difficult conditions, while tungsten was the object of a prospecting effort in /Cameroon/ and /Rwanda/. Finally, prospecting for talc has continued to make good progress in /Gabon./

With respect to /mining projects/, among the operations being carried out by COFRAMINES [expansion unknown] are:

--Gold from Poura, in /Upper Volta/: COFRAMINES has replaced BRGM as a shareholder of SOREMI, which holds this gold vein. SOREMI has asked the help of COFRAMINES in exploiting the site. Construction work began in early 1981. The annual production from the seam will be on the order of 2 tons of gold.

--Tin from Kania, in /Zaire/: this deposit of alluvial tinc contains more than 3,000 tons of cassiterite with an ore content of about 1 kg per cubic meter. A start-up agreement was signed in August 1980; its ratification in early 1981 will make it possible to begin development of the site, which will be exploited through a company called SOMIKA.

--Chromite from Tiebaghi, in /New Caledonia/: reserves in this deposit are estimated at 400,000 tons of extractible Cr<sub>2</sub>O<sub>3</sub>. In partnership with the /Dong-Trieu Mining Company/ as part of a local New Caledonian affiliate, COFRAMINES in 1981 will contribute to the total of investments for exploiting the deposit, alongside PARIBAS and INCO.

--Gold from Ity, in /Ivory Coast/: the feasibility report has been turned over to the Ivorian authorities, who have accepted it. A start-up agreement is presently being discussed by the authorities and COFRAMINES, which has taken out an option on the project. The mine should produce 1.7 tons of gold in 7 years.

BRGM has for its part continued or undertaken the development of several deposits, including the North-Caledonia project (/New Caledonia/). The study of this mining and metallurgical project (about 30,000 tons of nickel per year) is being led by COFREMME, of which PROMINES, a subsidiary of BRGM (51 percent) and Amax (49 percent), holds 90 percent of the shares. COFREMME holds deposits in New Caledonia estimated at 2 million tons of nickel metal, the richest ore being found in the northern part of the territory (deposits at Tiebaghi, Poum, Art). The year 1980 was devoted, on the one hand, to a preliminary economic evaluation of the project, and on the other hand to the development of a hydrometallurgical processing technique.

In /French Polynesia/, BRGM has acquired SOGEREM's share (26.5 percent) in /GIE Raro Moana/ which is presently developing a phosphate deposit located on the atoll of Mataiva (15 million tons at 33 percent P<sub>2</sub>O<sub>5</sub>). BRGM has thus become responsible for a program to be carried out in 1981, which involves among other things an attempt at dredging (for ore) as well as various studies.

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In the field of /mineral exploitation,/ one finds the following points made about Africa:

--/The Senegalese Phosphate Company of Taiba/ (15.6 percent owned by COFRAMINES): the company at the end of 1980 began exploitation of the new Keur Mor Fall deposit and has improved its yield, increasing reserves by an additional 3 years. By contrast, the considerable growth in the costs of exploitation, the slump in the price of the phosphates despite their good quality, added to the completion of the largely self-financed investment program, may produce some serious cash flow problems.

--/Mining Company of Ogooue/ (owned 19.6 percent of COFRAMINES), in Gabon: though 1980 saw a slight decline in production, the volume of sales remained as in 1979 at a good level (2.3 million tons), and the total of dividends distributed over the 1979 and 1980 fiscal years was back up to the level of the years prior to 1978. Two other important factors should be mentioned about the company. COMILOG [Mining Company of Ogooue] is trying to improve its trading position in ferro-manganese by acquiring a position in industrial networks. Moreover, the financial recovery of the Gabonese state should make it possible for it to increase its participation in COMILOG's capital.

It should also be noted that the /Mining Company of Goma/ (owned 70 percent by SEREM) in Zaire has begun the exploitation of the small deposit of alluvial tin at Kalimbi.

Among BRGM's /service company/ subsidiaries, /SOCOMINE (Mining and Industrial Cooperation Company,/ (50 percent owned by SEREM) has as its principal client the /National Industrial and Mining Company of Mauritania,/ which it provides with continuing technical assistance in the exploitation of the Zouerate iron deposits and the development of the proposed exploitation of magnetite "hillocks." SOCOMINE has also gotten involved in helping MIFERSO in Senegal.

--/Energy Resources./ With regard to /"high-energy" geothermy,/ the initial phase of geophysical reconnaissance in /Martinique/, financed by the ministry of industry, has been completed, while the geophysical work and gradient drilling on /Reunion/ continued. In the Republic of /Djibouti,/ an initial geophysical study financed by the Aid and Cooperation Fund [FAC] has been completed on the Assal field.

--/Water management, environment./ The exploitation of subterranean water constitutes an important facet of BRGM's activity abroad, particularly in arid countries. Under this heading, its involvement in 1980 was concentrated on /Africa and the Middle East/ as in previous years. BRGM has tried to respond to the needs, whether in provision of technical assistance, assessing exploitable resources, or in carrying to a conclusion, either alone or in partnership, concrete water supply or irrigation projects.

With regard to /technical cooperation,/ specialists have been seconded to the water management authorities in Morocco and Senegal for the preparation of water drilling programs and their coordination. Similar activities are under way in Guinea, Somalia, and with ACSAD.



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In the field of /hydro-agricultural development,/ BRGM participated in various projects along with French companies specializing in agronomy or economy. This type of operation, which is going on in Syria and Saudi Arabia, requires BRGM to have sufficient understanding of drainage and irrigation techniques to be able to integrate the work of multidisciplinary teams.

The completion of /village wells/ has become one of the specialties of the office, and African countries call on it extensively, because of its use of effective but inexpensive techniques. BRGM is generally involved in projects as overall project director under authority delegated to it by the water authorities. Thus, in 1980, the office supervised the creation and equipping of some 400 works in Cameroon, Guinea, Guinea-Bissau, Upper Volta, Niger, Senegal, and Togo.

Finally, BRGM is often called on to resolve many spot problems in urban and industrial water supply. The Douala study (Cameroon) is worth singling out. Carried out jointly with /BCEOM [Central Study Office for Overseas Equipment]/ and /SEURECA [expansion unknown]/, it has demonstrated the economic competitiveness of a subterranean water resource by providing the drinking water supply of a town.

One particular activity of BRGM should be mentioned in relation to /seismic and volcanic hazards./ In the Antilles, studies of the seismo-volcanic hazard in the area centered around Pelee mountain and the Soufriere have been continuing, using cartography, Carbon-14 dating, analysis, and electrical soundings.

BRGM's Organization

/BRGM/ is a public enterprise of commercial and industrial nature which, beyond its purely French missions /(National Geological Service)/, undertakes, directly or through its fully-owned subsidiary /SEREM (Company for Research, Prospecting and Exploitation of Minerals)/, mineral prospecting all over the world with international prospecting teams: its prospecting work covers all metallic, non-metallic, and energy substances, with the exception of oil.

With the help of the National Geological Service in processing the ore discovered, and of its mining research offices and its economists, BRGM can make a complete evaluation of deposits. When they seem to be profitable, BRGM makes available, through the /French Mining Company (COFRAMINES)/, an enterprise of which it owns 68 percent of the capital, the necessary financial resources, and contributes to the outfitting and then to the exploitation of mines located in various countries.

--The board of directors of BRGM is chaired by /Jean Audibert,/ assisted by /Claude Frejacques,/ his deputy. The general manager is /Paul-Henri Bourrelier./ African operations are headed by /Andre Papon,/ and /Georges Clair/ is responsible for North Africa, Asia, and Oceania.

Jean Audibert is also president and general manager of SEREM and COFRAMINES.

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NAIROBI SUMMIT MAY LEAD TO AFRO-ARAB SUMMIT

Paris JEUNE AFRIQUE in French No 1073, 29 Jul 81 p 33

[Article by Samir Gharbi: "Towards an Afro-Arab Summit"]

[Text] Afro-Arab cooperation at last might be able to get out of the rut it has been stuck in since the Camp David Israeli-Egyptian accords in December 1978. The Arab countries in effect insisted that Egypt be excluded from the OAU. But Sadat's country, a full-fledged African state, preserved its right to take part in all gatherings of the Organization. The XVIIIth summit (Nairobi, 24-28 June 1981) even reaffirmed this right in a resolution. Given these circumstances, it has not been possible since 1978 to organize any meeting of OAU heads of state and government and those of the Arab League. Such a meeting would have given new impetus to relations that are presently limited to Arab financial aid that is viewed as the opposite side of the coin of African support in the Arab-Israeli conflict. Such a meeting is needed to open the way to "total cooperation" that is greatly desired by all. "Total" means concurrently economic (investments, energy and trade) and cultural.

Meetings

One of history's ironies is that it was in Cairo, in March 1977, that the first Afro-Arab summit was held. It was in Cairo that the joint political institutions and the charter for cooperation were adopted. Heading the list was the summit that was to convene every 3 years. Other provisions included a plenary conference of foreign ministers (one session every 18 months) and a 24-minister standing committee, half of them named by the OAU (the committee of 12) and half by the Arab League. The African committee set up at the time included two countries belonging simultaneously to the two camps: Egypt and Algeria.

Both committees did in fact meet twice a year: in Yaounde (Cameroon) and in Cairo, in May and November 1977, then in Niamey (Niger) and Kuwait in June and December 1978, i.e., the time of the Sadat-Begin accords. Since that time the meetings have been suspended and cooperation has occurred only on the bilateral level. African heads of state and ministers have visited Gulf State sovereigns and often readily obtained donations and credits. In March 1981, however, OAU Secretary General Edem Kodjo and Arab League Secretary General Chedli Klibi contrived to convoke in Khartoum (Sudan) the coordinating committee, the fourth

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Afro-Arab institution after the standing committee. It was done on the initiative of Chedly Ayari, president of the Arab Bank for Economic Development in Africa (BADEA).

Replacements

Then came the first manipulation of the mechanisms of the Cairo Charter. And it was the start of a thaw, with the expectation that at the summit in Nairobi the OAU would make the "right" changes in the makeup of the African committee of 12. And so it was done. Algeria and Egypt were replaced by Morocco and Tunisia. Egypt's deputy minister of foreign affairs, Boutros Ghali, took the unfortunate occurrence in stride. Anyhow, the opponents of Camp David hadn't the audacity this time to seek the exclusion of his country from the African organization. A number of delegates simply walked out of the hall when he took the podium. This raised the hackles of Gabon's representative who exclaimed: "When are we going to make peace with Egypt?"

Banishment

Nevertheless the fact remains that those in favor of politically reactivating cooperation by excluding Sadat's government were a majority at Nairobi. They are also more "realistic," since the Arab financial manna is in danger of spoiling. Moreover, if the standing committee that will meet in Dakar in the month of November fails to give definite shape to the hopes for "total" cooperation, then it will perhaps be necessary to go even farther with Africa's banishment of Egypt by calling a restricted summit meeting.

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OAU, ECA COMPETE FOR ECONOMIC POLICY-MAKING ROLE

Paris JEUNE AFRIQUE in French No 1072, 22 Jul 81 pp 28-29

[Article by Samir Gharbi: "Two Rival Step-Sisters"]

[Text] It may be that the Nairobi African summit has found the beginnings of a solution for the thinly-veiled rivalry between the OAU and the ECA (U.N. Economic Commission for Africa). Certainly the request of the heads of state for both secretariats to set up at once a "joint annual program" in the economic sector is a first step in that direction. But it remains an uncertain settlement since there is an absolute abyss separating the points of view taken by OAU Secretary-General Edem Kodjo and ECA Executive Secretary Adebayo Adedeji regarding the respective roles and responsibilities of the two organizations as well as their methods of cooperation.

Authority

The conflict started in 1976 when the OAU's general secretariat was assigned an economic role. At the time, however, it was just a devout hope. It would spark rivalry only once the special summit at Lagos (April 1980) adopted an economic action plan and entrusted its implementation to the Secretary General of the OAU "in collaboration with the Executive Secretary of the ECA." The latter would have preferred it the other way around: itself being made responsible for carrying out the program "in collaboration with the Secretary General of the OAU." Despite the personally warm relations between Togo's Edem Kodjo and Ghana's Adebayo Adedeji, the clash of responsibilities broke out a year later.

On 4 May 1981, Edem Kodjo forwarded to his ECA counterpart his work program for the 1982-1983 term and asked him for his comments. In a lengthy letter including an attachment (a 29-page table) setting out the respective programs of the OAU and the ECA for the same term, Adebayo Adedeji made his reply on 20 May. Duplication, claimed Adedeji, even plagiarism of some of the ECA's programs. He concluded that cooperation between the two secretariats would be quite restricted.

Consequently only 9 of 32 of the "food-agriculture" program's projects proposed by the OAU's secretary general could be managed jointly since the ECA's work program already encompassed the others. For industry this applied to only 6 projects out of 30; for technology, 2 out of 21; for energy, 14 out of 21; and, lastly, for transportation and communications, 3 out of 32. Hence the "recommendation"

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of the ECA's executive secretary that the cost of the OAU's program, reckoned at 32 million dollars, be trimmed.

This showed a lack of coordination, no doubt, and a clash of responsibilities. But it was foremost a clash of authority. After all, it is possible to avoid duplication among the respective projects. What remains to be determined is who from the OAU, a continental organization, and from the ECA, a regional commission of the UN, is to be the chief architect for implementation of the African economic program. In his letter of 20 May, Adebayo Adedeji maintained that he had never construed the Lagos summit resolution "as meaning that the ECA was to play a subordinate and secondary role" vis-a-vis the OAU as program initiator.

## Reconciliation

He goes even further when commenting harshly on the action proposed by Edem Kodjo as a result of the Lagos Plan. For instance, the action for industry strikes him as "especially meager." At the same time the ECA "has gone beyond the stage of grand intentions" and is concentrating "on definite projects." The ECA's executive secretary likewise is critical of the "industrial planning and policy" section of Kodjo's program. In his words, it appears to be "more concerned with studies and discussions that are past history instead of the with the future."

Finally, Adebayo Adedeji is upset over Edem Kodjo's plan to restructure the OAU's general secretariat by endowing it with "highly qualified personnel" in the field of economics. He believes that such a procedure would strengthen the OAU's economic calling and would diminish the ECA's role. In short, for Adedeji, the OAU should throw its political and diplomatic support to the activities of the ECA whose mission it is to come up with solutions for economic problems "with a strong political bias" such as supervision and regulation of multinationals, law of the sea, remote sensing, the intra-African investment system, etc. Accordingly, the ECA's executive secretary champions the creation of a special joint team to eliminate the "duplication" existing between the two 1982-1983 work programs and the establishment of an independent four-member commission to study the details of mutual collaboration.

The formula suggested by the African governments in Nairobi bears a close resemblance to the above proposals: joint preparation of a yearly work program, mobilization of the resources required for financing it, and a report on implementations drafted by each of the two secretariats. A special five-member committee should resolve the differences, analyze and adopt the yearly programs, and lastly evaluate the progress realized by the two secretariats, in the interests of a reconciliation. Is this only a devout hope that is using technicalities in search of its realization? The conflict itself is highly political: the OAU's general secretariat comes under the purview of the African heads of state; the ECA's executive secretariat comes under the UN. The real problem is determining who it is that can spell out an economic policy for Africa. The solution is not up to either Edem Kodjo or Adebayo Adedeji. It depends, rather, on a political will that involves stating whether it is the OAU or the UN that has the primacy when it comes to Africa.

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## INTERVENTIONS IN 1980 OF WEST AFRICAN STATES CENTRAL BANK

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 p 1936

[Text] The West African States Central Bank (BCEAO) recently published a general statement of its various interventions during 1980.

The monetary policy guidelines established by the Council of Ministers of the West African Monetary Union (UMOA) for 1980 stressed the need to stem the reduction in the central bank's foreign assets and to restrict the growth of its demand monetary commitments in the interests of upholding the value of the common currency. The year 1980 was a tough fiscal year by virtue of its spare economic performances and its renewed structural disequilibriums, and it put the agency of issuance in the center of adjustment actions. As a result, the central bank was faced with a delicate balancing act between monetary requests from businesses, banks and national public treasuries that were victims of acute liquidity crises, on the one hand, and the need to maintain the value of the currency, on the other hand.

By 31 December 1980, total central bank monetary interventions for the entire union amounted to 542 billion CFA francs, including 95.7 billion in advances to national treasuries.

The following table summarizes, in billions of CFA francs, the growth and allocation since 1977 of BCEAO monetary interventions:

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Benin	9.3	11.3	18.2	25.7
Ivory Coast	169.6	179.2	234.2	346.8
Upper Volta	9.9	15.7	13.7	13.8
Niger	1.8	9.6	17.0	21.4
Senegal	53.1	75.0	88.9	112.2
Togo	13.5	14.2	20.5	22.1
Total	257.2	305.0	392.5	542.0

In Benin, 1980 was marked by the national treasury's partial disengagement from the agency of issuance.

In the Ivory Coast, central bank assistance to the government underwent a sizable increase. So did total refinancing of agricultural credits.

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In Upper Volta, increased credits for the economy were halted by virtue of a slight growth in the economy.

In Niger, assistance for the treasury more than doubled at the same time that the commercial banks, benefiting from a noticeable improvement in their funds, resorted less to the rediscount.

In Senegal, reduced assistance to the government was more than offset by the sizable growth in assistance to banks and financial institutions.

In Togo, the treasury's indebtedness to the agency of issuance showed a momentary decrease at the same time as commercial bank refinancings grew.

Among all six member states of the UMOA yearend overall situation of credits for the economy grew from 1977 as follows (in billions of CFA francs):

31 December 1977	911.8
31 December 1978	1,099.4
31 December 1979	1,278.1
31 December 1980	1,446.7

For each of the years 1979 and 1980, refinancing assistance by the agency of issuance totaled, in billions of CFA francs:

	<u>31 December 1979</u>	<u>31 December 1980</u>
Refinancings to benefit the economy:		
Agricultural credits	129.3	161.8
Ordinary credits	206.9	284.5
Total	336.2	446.3

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## SHORTFALL IN DROUGHT CONTROL AID BOMBHELL FOR SAHEL

London NEW AFRICAN in English No 166, Jul 81 pp 25-26

[Text]

AS SCHEME aimed at controlling drought in the Sahel is \$2-billion short of aid funds with only 16 months to go before the end of the five-year plan. This bombshell was dropped in a review of the Inter-State Committee for the Control of Drought in the Sahel (CILLS) on its First Generation Programme.

Aid figures have dropped dramatically for CILLS. In 1977-78 it received only 57 per cent promised aid. This fell to 43 per cent in 1978-79. In 1979-80 it shrivelled to 19 per cent. Negotiations and re-arrangement of priorities and better request dossiers led, in 1980-81, to cash grants being raised to 59 per cent. Despite this, the programme remains drastically short of target.

Donors, who form the *Club du Sahel* founded in 1976, have not yet met their undertaking to complete the 300 national and regional projects in Cape Verde, the Gambia, Mali, Niger, Senegal, Mauritania, Chad, and Upper Volta, which form the Sahel.

Club members endorsed the food, livestock, fisheries and development projects in agreements drawn up in meetings in Dakar, Ottawa, Amsterdam, and Kuwait. The principal members involved are EEC countries, Arab oil exporters, World Food Council, UN Development Programme and Fund for International Development.

CILLS headquarters in Upper Volta's capital, Ouagadougou, claims the lack of cash backing for donors' expressed intentions at those meetings has delayed numerous projects. In fact, it had necessitated the Amsterdam meeting in 1978 to re-study the obstacles to club funding and to the optimum use of the donations by Ouagadougou. The donors' concern about

the disbursement of cash was substantiated by CILLS Executive Secretary Seck Mame N'Diack. He said the committee was guilty of errors in cash programming and strategy planning. The committee has admitted to being ill-equipped and unable to plan, design, implement, manage, or evaluate projects.

Donors should be hesitant to seriously commit money to an organisation which is so helpless, especially as it consumes aid with zero returns for its commerce-minded helpers. Teething mistakes can be understood in any organisation. But the budget CILLS is asking cannot tolerate mistakes, especially when the capital absorption capacity of all Sahelian countries is so dangerously low.

Total dependence on international aid put the committee at the mercy of donors. With all Sahelian economies in the red, it leaves the committee unable to contribute toward its own development. It could flex no muscle when the Arab donors, including Saudi Arabia, insisted on distributing their aid themselves to countries of their choice, rather than leave the prerogative to Ouagadougou.

Living conditions of the Sahel's 35-million people are deplorable. They desperately need 890,031 tons of grain. They frequently have to fight flood horrors. Political instability is an added difficulty for the secretariat. The civil war in Chad and the movement of refugees has compounded the problems, making obsolete some long-term plans and cash projections.

The Kuwait meeting warned that the region will increasingly be competing with other non-oil-producing areas for funds in the 1980's. Its record of equipment abandoned in the fields or on the



roads, the diversion of funds by governments from original programmes and recurrent costs can hamper CILLS' chances in the growing competition for cash.

But the secretariat has had considerable success in alleviating hardship and setting parts of the Sahel on a development course. The First Generation Programme has financed 23 of the 41 village and pastoral water supply projects and has plans to intensify the vital development. It has conducted a country by country assessment of cattle breeding and marketing and has submitted reports to the Food and Agriculture Organisation on animal health and livestock.

CILLS is to alert the Sahelian population to the importance of fish diets. National fish projects are underway and a fisheries centre has been established with available scholarship in this field. The secretariat has interested the West German Government and the US Agency for International Development in particular. A big concern of the committee is the increasing amount of once arable land that is becoming desert.

Irrigation and the ecology are high on the priority list. Since the Sahel's serials production is 95 per cent dependent on rain, the boost in irrigation and damming projects have assured a cut on risks.

An ecology-forestry team met in Niamey and Dakar in 1979 and now awaits funding for the revised plan to cater for the Sahelian population's needs in forestry products, the control of the Sahara which is fast moving south, and safeguards against the ravages of dry weather. The Gambian *Banjul Declaration*, which stresses the need for the preservation of flora and fauna, is regarded by CILLS as a major step towards an improved ecology.

It is widely believed that CILLS must court the participation of the Arab oil exporters to cut down dependence on Western donors. But CILLS Chairman Moussa Traore, President of Mali, is not convinced that Arabs who depend on Western industry for their own development would be fully committed to investing in the Sahel, which cannot guarantee returns.

The outstretched hand syndrome of the aid-seeking Sahel looks to be a permanent one. The beggar-giver relationship between the Sahel and the *Club du Sahel* is embarrassing. The region's creditworthiness and its political instability make donors shy away. If the Second Generation Programme is to take-off, the secretariat will have to tighten not only its manpower and diplomatic resources but offer donors proof of new-found managerial ability●

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INTER-AFRICAN AFFAIRS

OUTLINES OF NEW FRENCH AFRICAN POLICY

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861, 10 Jul 81 p 1803

[Commentary: "Outline of a New French Policy for Africa and Development"]

[Text] Little by little, in interviews and through statements made by Claude Cheysson and Jean-Pierre Cot in the exercise of their ministerial responsibilities, the principles that will guide French policy toward the developing world and toward Africa in particular are becoming clear.

In remarks made recently before the economic and social council, the minister of cooperation and development identified four leading ideas that will guide his activities.

In the first place, France will refuse to reduce problems of development to the problem of the rivalry between the two superpowers. It would quite simply be a mistake to think that every Third World demand for a reduction of inequalities, or agrarian reform, or any nationalization of foreign capital is necessarily inspired by Washington or Moscow. On the contrary, it is in the interest of the developing countries to escape from bloc politics and in the interest of France to help them to achieve this objective of freedom.

The countries of the Third World must also be free to choose their model of development. The disastrous situation facing the majority of them is in part the result of the orientation given their economies by the outside colonial powers and the rupture of the social fabric which resulted from it. This phenomenon was aggravated by the development policies adopted by a number of states, particularly in Africa, after their accession to independence, policies aimed at reproducing the industrial model of the West or the East.

So the developing countries should be able to develop, if they so desire, along lines that are "autonomous, endogenous, and self-centered." This is the second leading idea set forth by Jean-Pierre Cot, who elaborated on their substance in a statement made 27 June before the forum of non-governmental organizations. Self-centered development is development "centered on internal needs, which implies in some cases a break with the international market." It should enhance the capabilities of the states to surmount their difficulties, especially in the food sector. In order to get such a program under way, developing countries must first

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of all make use of their own strengths, both by building up their base communities and by improving cooperation between and among the states of the Third World--cooperation that is sometimes labeled "South-South"--which could take the form of big regional economic groupings such as already exist in Africa and as have been called for on the continental scale by the Final Act of the Lagos Conference, adopted by the first economic "summit" of the Organization of African Unity [OAU] (28-29 April 1980).

The concept of development implies, in the field of agriculture, an end to systematic production for export and an emphasis first of all on production for domestic needs, the encouraging of methods to diversify food production--aquaculture for example--and supporting integrated production models, or in other words striving for complementarity between agriculture, stock-raising, aquaculture, industry, and energy. In the field of industry, it is not a question of abandoning Western techniques, but of inserting them into a development effort based on the domestic dynamics. Priority should be given to industries making production goods and to "development" industries, that is industries oriented toward the satisfaction of domestic needs.

The consequences of such a policy, joined to the increase in the cost of energy and raw materials, are not lost on Jean-Pierre Cot. They could result in the short term in unemployment problems in France, and in the longer term in "an alteration in our own type of growth." It is necessary, therefore, and this is the third leading idea, to take a broader view of our evolution in terms of planning, predicting, and organizing those alterations that everyone agrees are inevitable.

Finally, the wealthy countries must unequivocally accept the idea of a dialogue with the developing countries based on equality. This fourth leading idea was expressed in concrete terms by Claude Cheysson, the minister of foreign relations, in an interview in a political weekly: "As for France's policy in Africa," he said, "it will be carried out, to be sure, and we will fully assume all our responsibilities. However, one basic principle will guide us: never again will France take a position or an action in the Third World--especially in Africa--without taking full cognizance not only of what authorities in the country in question think--that much is obvious--but also of the views of neighboring countries also involved. What happens in Ndjamen or Managua should not be decided in Paris. Or for that matter in London, Bonn, Washington, or Moscow. Before doing anything, therefore, we will always start off with wide consultations with the interested principals. This is in no sense a disengagement--Mr Cheysson is at pains to emphasize this--but rather French renunciation of unilateral action. "I certainly hope," he adds, "that we shall never intervene, especially with force, except where we have the agreement and support of other powers, especially those in the region. In Ndjamen, for example, our intervention would have been completely different if it had been part of an inter-African force, however minimal. And if a hundred African soldiers had been alongside our own soldiers in Ndjamen, would the Libyan invasion of the city have been inevitable?"

Far from trying to reap all the profits for herself of an independent policy, France will try to join together with all its regional European partners and to

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work with them to promote "bold initiatives" concerning the Third World, from which, Mr Cheysson reminds us, we import 75 percent of our raw materials, and to which the European Community exports 40 percent of all it sells abroad, and which also represents the only expanding market France has had since the first oil shock.

Beyond the commitment of the president of the republic to double political assistance to the Third World, these statements put an end to the questions that had been raised by the publication of PS documents which did not represent commitments of the French Government. They express a long-term view of the new relationships which France intends to maintain with Africa and the developing world--relationships which remain at the heart of French policy concerns.

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INTER-AFRICAN AFFAIRS

## POLITICAL REALITIES WILL SLOW FRENCH AFRICAN POLICY

London NEW AFRICAN in English No 166, Jul 81 pp 13-14

[Article by Mark August Nyirenda: "Why Mitterrand Must Go Slow in Africa"]

[Text] PORTRAITS of Valery Giscard d'Estaing, the fallen matador, still abound on the streets of Paris. It is now just over two months since the conservative President lost to a Socialist candidate, Francois Mitterrand. There are some observers who believe that Giscard's pursuit of a controversial policy on Africa may have had something to do with his defeat.

### **They're cautious**

It is not surprising, therefore, that several African countries count themselves among the potential benefactors of the new political climate in France. For the victory of the socialists in the presidential elections marks a watershed in France's relations with developing countries, particularly its former African colonial minions. Twenty-three unpremeditated years of French rule by the conservatives have taken their toll. During this period France's misadventures in Africa have been considerable - never hesitant to show the rest of the world that it considered itself Africa's policeman.

But the socialist win is not necessarily good news for all those with whom Paris has dealings. Indeed Mitterrand's victory may leave some of the dependent pro-Western African dictatorships considerably vulnerable to internal opposition to their rule. Nevertheless, many African governments will tread cautiously as they re-appraise their attitudes towards France.

Well-meaning though President Mit-

terrand may be, he faces a number of formidable obstacles, not least of which will be French economic interests. It so happens that the opposition Gaullists have considerable financial interests in Africa.

The fact is that much will depend on the outcome of the parliamentary elections in which, of course the new President will want his Socialist Party to gain a majority. That majority has been the preserve of the conservatives who have used it to back French activities in Africa. Should Mitterrand get the majority in the House, he will be better equipped to implement his policies.

The alternatives are less compelling. If the Socialist Party fares badly and fails to win the majority, it might make a deal with the communists. *Parti Communiste Francais* could demand to have significant representation in the French Government. The other alternative could come about if the conservatives retain their majority. In that case the President would rule by decree until fresh elections were held in a year.

In terms of the constitution of the fifth French Republic, President Mitterrand could, to some extent anyway, rule by decree. But observers believe that a conservative majority would constantly frustrate the implementation of socialist policies.

### **Aggression**

At the Unesco conference on sanctions against South Africa in Paris last May,

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secretary of the French Socialist Party, Lionel Jospin said the new government would do everything possible to ensure that Namibia gained independence along the lines of United Nations Resolution 435.

Jospin, who was speaking on behalf of the party, denounced Pretoria's "aggressive policies", the nature of whose apartheid-based power constituted "a threat to peace and a fundamental obstacle to the development of the African continent". Jospin added that the new government in Paris would support the halting of all trade with Namibia while the territory remained under South African administration.

President Mitterrand's government has hinted at plans to stop buying its uranium from Rossing in Namibia. This comes at a time when the French are reportedly scaling down their nuclear programme and temporarily suspending nuclear weapons tests. Even so France will still be able to get its uranium on the world market, where there is a glut.

Running in tandem with its plans to significantly reduce its imports of South African goods, as well as a total embargo on the sale of arms to South Africa. French weapons are currently made under licence in South Africa. Jospin, commenting on the imposition of sanctions against the Pretoria regime, added that "they must be paired with increased support for the frontline countries". Jospin's statement was followed by Foreign Minister Claude Cheysson saying that France would provide diplomatic and political support to African liberation movements.

France imports 4,000 tonnes of uranium oxide a year from South Africa and Namibia. The figure is expected to rise by an extra 1,000 tonnes a year when a new uranium mine comes on stream in 1984. According to estimates, French imports from South Africa amount to five-billion French francs. They include gold and other minerals and textiles - and agricultural produce, mainly fruit. Meanwhile, French exports to South Africa stand at an annual four-billion francs and include machine tools, electrical equipment and spare parts.

The French will probably analyse the trends that emerge at this year's Organisation of African Unity (OAU) summit before they crystalise their own Africa policy. At present, France's economic ties

are mostly with its former Francophone African colonies, with the exception of South Africa and Nigeria. France's trade with South Africa amounts to less than one per cent of its total foreign trade. Black Africa's trade with France amounts to 10 per cent of total French foreign trade.

### Caution

The view of some African political and diplomatic observers is that it will be sometime before France will be able to implement its new policy changes. These quarters are therefore advising caution and not to expect too much too soon from Paris. It has been pointed out, for instance, that it would take the French sometime to untangle themselves from their economic ties with South Africa. The apartheid state presently ranks as the fifth largest French market in Africa after Algeria, Morocco, Nigeria and the Ivory Coast.

Mitterrand himself has stated that he would like to see French aid to the Third World. Elsewhere in Africa, the focus of French policy is likely to be on development. The new government is known to be in favour of increased support from Western industrialised nations over the North/South debate. In this, President Mitterrand will be strongly influenced by Foreign Minister Claude Cheysson, a former Commissioner for Developing Countries in the European Economic Community (EEC) - a man who has been decorated by eight African governments and is a strong supporter of liberation movements.

Such is the calibre of Cheysson that as EEC commissioner he refused to meet South African delegates visiting Brussels because of a personal feeling of repugnance for apartheid.

Mitterrand himself has stated that he would like to see French aid to the Third World doubled.

There is a growing feeling among African leaders that the Americans, personified in the image of the reactionary Reagan Administration, may now deem it timely to take over from the French as Africa's uninvited policeman. The US has been active in North Africa, where it has set up a bridgehead for its Rapid Deployment Force (RDF). Now it is reported that American interest in military facilities has percolated into Sudan.

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The Americans are already present in East Africa, operating from Kenya, while their presence in the Indian Ocean seems to be permanent and increasing.

France's relations with the Francophone African bloc is likely to remain unchanged for some time, though Paris may later re-negotiate defence treaties with some African countries. It is clear that France is against military operations of the type in which it sent its troops to prop up the tottering regime of Zaire's President Mobutu Sese Seko, whose troops were besieged during the Shaba invasion by former Katangese gendarmes.

### Contempt

With the continued tension between Algeria and Morocco, Mitterrand is expected to turn his government's sup-

port to the Polisario, a movement that hitherto has not received support from the French Government. The French now expected to tilt towards Algeria while easing relations with King Hassan of Morocco.

Clearly the new African specialists at the Quai d'Orsay (the Whitehall of Paris) will be looking to Nigeria - a country which over the year has not bothered to conceal its contempt for French activities in Africa. The French may try to show the Nigerians that they mean to change their image by applying pressure to get a solution over the Namibian dispute.

It remains to be seen how Paris will deal with Lagos and Libya as both those countries re-appraise their thinking about France.

All in all, it is probable that Africa will benefit from the expected policy changes in France●

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INTER-AFRICAN AFFAIRS

BRIEFS

RICE FOR AFRICA--Will azolla, a water fern, help West African countries attain self-sufficiency in rice? Studies conducted in Dakar by the Overseas Technical and Scientific Research Bureau (ORSTOM) indicate that the plant, which is a familiar sight in the ricefields of China and Southeast Asia, appears to be an effective fertilizer. Laboratory tests have demonstrated that azolla has a nitrogen-producing potential of 55 kg/hectare while what is needed is between 90 and 150 kg/hectare per harvest. Although less promising in the fields, the tests remain encouraging: rice grown together with azolla and preceded by an application of nitrates (15 kg/hectare) yields a harvest of 5 tons/hectare versus a current yield of 1.3 tons. Large-scale use of azolla could bring about a perceptible reduction in purchases of nitrate and paddy fertilizers. It is a fact that rice consumption in the 15 countries that are members of the West African Association for the Development of Rice Growing continues to increase. On a yearly per capita basis it averages 18 kg. In Liberia and in Sierra Leone it can be as much as 100 kg. So, imports have tripled in less than a decade. [Text] [Paris JEUNE AFRIQUE in French No 1072, 22 Jul 81 p 32] [COPYRIGHT: Jeune Afrique GRUPJIA 1981.]

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ANGOLA

RELATIONS WITH MITTERRAND GOVERNMENT VIEWED AUSPICIOUSLY

Paris AFRIQUE-ASIE in French No 244, 20 Jul-2 Aug 81 pp 57-58

[Article by San Fie: "Dos Santos Message to Mitterrand"]

[Excerpts] Carrying an important personal message from the president of the People's Republic of Angola, Minister of Planning and Foreign Trade Lopo do Nascimento, member of the MPLA Central Committee, had a long meeting on 3 July with Pierre Beregovoy, secretary general at the Elysee Palace. The Angolan president's special envoy, accompanied by Angolan Ambassador Luis de Almeida, took advantage of his talks with Beregovoy to make a tour d'horizon on African questions, notably those pertaining to the security and stability of Southern Africa, threatened by the systematic aggressions of Pretoria's racist regime.

The Elysee secretary general, who was assisted by Guy Penne, in charge of African affairs, and Regis Debray, in charge of missions at the Elysee secretariat, made a point of reaffirming President Mitterrand's official positions on South African policies, of stressing his intention to forbid French arms sales to Pretoria and of protesting the policy of apartheid imposed by the Botha government.

Following his meeting with Pierre Beregovoy, Lopo do Nascimento met with Jean-Pierre Cot, minister of cooperation and development. Discussions centered on Franco-Angolan relations, which Cot views in the light of the new conceptions he had masterfully developed in his 9 June speech to the economic and social council. This speech had made a profound impression on the Angolan minister.

Lopo do Nascimento's visit constitutes one of the first meetings between an African official and the new French authorities. In the light of the importance attributed by French authorities to a new concept of relations with the Third World--and more specifically with Africa--there can be no doubt that the results of such a meeting were a test of Paris' intentions as to the definition of a policy of cooperation genuinely free of the paternalist and colonialist tinge adopted by the former regime.

The initial French political declarations on Namibia which firmly denounced South Africa's racist and aggressive activities against Southern African countries, portend an important change in behavior and approach to the problems pertaining to the national independence of the region's nations.

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In this same vein, it would be useful to recall the great import of Jean-Pierre Cot's statements to the press or the economic and social council. They contained an unequivocal denunciation of certain relations between the former French regimes and the Third World and a new and open concept of cooperation, development and equality between nations of unequal development.

Indeed, it is in these two new fields--political and economic--that the changes which have intervened in France will be gauged, not on the continuation and even an increase of commercial relations. However great their importance, commercial exchanges cannot be an end in themselves in the relations between the Third World and the industrialized countries. Known and recent examples of changes in commercial relations which had seemed to be under the most auspicious marks are numerous enough to demonstrate that the consolidation of frank and trusting political relations alone can provide durability and the indispensable warmth between nations.

To be sure, it will not be easy to perceive the Third World as more than just an immense market and not to mix foreign and trade relations. But the stakes of a new approach to international relations are too important to be overlooked.

Indeed, if it were only a matter of trade relations between nations, isn't it evident that Angola has been amply successful in diversifying its exchanges, offering several European countries the chance to develop such relations? In the course of only 3 years, firms and trade organisms from various countries have converged on the Angolan market, known to be vast and promising.

Had not the former French regime successfully attempted to develop trade relations to become, in 1980, Angola's fourth largest partner, and to sign contracts worth nearly 1 billion French francs through the intermediary of French firms?

Amplitude and Durability

In 1981, French exports to Angola could reach the billion mark, placing this country ninth or tenth in France's relations with Sub-Saharan Africa, up from 21st in previous years. French companies, fully supported by the banks and credit organisms, have found a country that is sure of itself, rich and promising.

However, it is not sufficient to hold important commercial positions in a country to modify political relations. Beyond the Namibia problem and the arms sales to South Africa, beyond the support granted to certain opposing factions in Angola, this country rejected a whole conception of relations between France and Africa which could but limit the development of agreements between the two countries.

That is why it is important to stress Angola's declared intention to hold relations with France, not within a mercantile context, but in the framework of a kind of cooperation that both parties will have to jointly outline. To attribute the needed amplitude and durability to future decisions, Angola immediately proposed that this should take place in the context of a 5-year agreement of cooperation. Undoubtedly, such an approach will be profoundly enriching for both countries, which would jointly develop common actions.

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The Angolan desire to adumbrate a policy of friendship based on meaningful anti-colonialism is apparently very deep, as is the wish for a complementarity of interests and for an independence well understood by both sides.

As long as commercial relations will be viewed within the framework of a generous and healthy international cooperation, no one will regret the fact that they will continue on a positive basis.

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ANGOLA

BRIEFS

RELATIONS WITH FRANCE--Guy Penne, in charge of African affairs at the Elysee Palace, will visit Luanda in mid-August. This is his first visit to the People's Republic of Angola; he will be accompanied by Regis Debray, in charge of missions at the Elysee secretariat. Guy Penne will hold talks with Angolan authorities on the entire spectrum of Franco-Angolan relations, and particularly on the serious threat to Angola following the numerous armed aggressions by the racist Pretoria regime. [Text] [Paris AFRIQUE-ASIE in French No 244, 20 Jul-2 Aug 81 p 21]  
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BURUNDI

## BRIEFS

CONFLICT WITH ZAIRE DENIED--President Bagaza gave a press conference in Bujumbura on 30 June, the eve of the 19th anniversary of Burundian independence. The chief of state announced that Burundi would be given a new constitution. The text, already adopted by the central committee of the Uprona Party, is ready and will be made public very soon. The text of the constitution will be submitted to a referendum. If it is accepted by the people, it will be promulgated immediately. On foreign policy, Col Bagaza denied that there had ever been a troop concentration along the Zaire-Burundi border: "There are really no border problems between Zaire and Burundi, and for good reason: the present borders have long been recognized. The border between Zaire and Burundi is exactly where it has always been since the 1800's. There has not been any concentration of troops at one part or another of the border, rather the Zairian army has been combing the Zairian border regions. There was never a violation of the borders; Burundi has moved the customs buildings that have been under construction for 2 years, but they are still in Burundi territory", [sic] said the chief of state. At the recent OAU [Organization of African Unity] summit in Nairobi, Presidents Bagaza and Mobutu agreed to create a joint security commission to reassure the people of the border regions and tell them that there was no border conflict between Zaire and Burundi. [Excerpts] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1839] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

RURAL DEVELOPMENT CREDIT--The International Development Association (IDA), a subsidiary of the World Bank, has just granted Burundi a credit of SDR 16.2 million (\$19.3 million), which will be used to complete a rural development project in the Kirimiro region, in the central part of the country. Some 28,000 agricultural families affected by this project should receive assistance in improving coffee and foodstuff production. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1839] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

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CAPE VERDE

MILITARY RELATIONS WITH PORTUGAL REPORTEDLY IMPOSSIBLE

Paris AFRIQUE-ASIE in French No 244, 20 Jul-2 Aug 81 p 13

[Text] President Pereira and the head of the Portuguese state reviewed many aspects of the cooperation between Cape Verde and Portugal during their meeting in Lisbon at the beginning of June. This meeting resulted in a series of agreements between the two countries pertaining to specific sectors such as the assistance to maintain the lighthouse network on the islands, formerly under the command of the Portuguese navy, which still possesses naval maps indicating their position.

However, no military cooperation agreement was signed, and Cape Verde is in no way preparing to establish such ties with Portugal, without this being a hindrance to Praia maintaining the best relations with this country.

Given the large Cape Verdian community residing in Portugal--some 40,000 people--permanent coordination between the two countries is naturally indispensable. President Pereira's private visit of friendship to Lisbon coincides with the reservations expressed by Cape Verde about its adherence to a mutual defense pact between the ECOWAS countries--of which it is a member. These reservations led Cape Verde to refuse to sign this agreement, recently ratified in Lome, and this coincidence led commentators to draw the wrong conclusion. Some of them even affirmed that "Cape Verde was turning its back on Africa and addressing itself to Lisbon."

In fact, the reasons for Praia's refusal are to be found elsewhere. The fact of not joining the ECOWAS at a high level of military coordination derives, for Cape Verde as for Guinea-Bissau--which also refused to sign the mutual pact--from the very nature of these two countries' armed forces. Essentially born from an army of liberation, the PAIGC's, these armed forces which were common to the two countries up to 14 November 1980, have preserved a marked "politico-military" character. Moreover, they are in the process of being reorganized since Cape Verde and Guinea-Bissau went their separate ways.

Additionally, the traditional ties dating from the anticolonialist struggle that these armies maintain with socialist countries significantly differentiate them from other armies in the region.

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At any rate, according to Cape Verdian authorities, it is neither opportune nor indicated to envisage any kind of military integration in the present phase since geographic and demographic conditions limit the development of a conventional army.

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GABON

BRIEFS

CONCERN ABOUT SAO TOME--Omar Bongo has expressed to the U.S. Government his concern over the reinforcement of the Soviet military presence in Sao Tome and Principe. The Gabonese president believes that the region's balance of forces is seriously threatened. He took advantage of his visit to Washington in mid-June to sound the alarm. [Text] [Paris JEUNE AFRIQUE in French No 1072, 22 Jul 81 p 35] [COPYRIGHT: Jeune Afrique GRUPJIA 1981]

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MALAWI

## BRIEFS

AIR LINK WITH FRANCE--During the first term of this year, civil aviation officials prepared an accord between France and Malawi which should enable UTA [Air Transportation Union] to use Lilongwe for intermediate landings in the spring of 1982, for both passengers and air freight. The new international airport of Lilongwe will be opened in the fourth quarter of 1981. Construction costs exceed 450 million French francs. This is a Class A airport according to ICAO standards, equipped with a runway 3.5 km long and 45 km wide capable of accommodating 500 passengers an hour at peak periods and comprising modern facilities for receiving and handling freight. The future direct link between France and Malawi is certain to contribute to the development of relations in many domains between the two countries. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1857, 12 Jun 81 p 1606] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 12149

STUDIES ON ETHANOL PRODUCTION--Malawi, which experienced a shortage of gasoline at the beginning of the year, has made up its mind, like some other enclaved countries on the African continent, to use alcohol (ethanol) as a substitute fuel. To this end, the Ethanol Company Limited was recently formed. Its capital, 2.25 million Malawian kwachas, is distributed as follows: Oil Company of Malawi (Oilcom): 30 percent; Investment and Development Bank of Malawi (Indebank): 23 percent; KfW [Reconstruction Credit Bank (FRG): 19 percent; Jager and Associates (Zimbabwe): 10 percent; IFC: 9 percent; Dwangwa Sugar Corporation: 9 percent. The plant, which should begin production at the beginning of 1982, will produce about 5 million liters of ethanol a year and thus make it possible to save the equivalent of 1.5 million in currency a year. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1857, 12 Jun 81 p 1606] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 12149

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MALI

## CENTRAL BANK OF MALI REPORTS ON ECONOMIC SITUATION

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 p 1938

[Text] In its latest quarterly bulletin the Central Bank of Mali furnishes some latest indications of the way Mali's economic and monetary situation has developed.

Marketing of the chief agricultural products of the 1980-1981 harvest involved 108,100 tons of cotton seed (-42,400 tons compared with the last harvest), 27,500 tons of peanuts (-10,800 tons), 22,000 tons of corn, millet and sorghum (-3,700 tons) and 57,300 tons of paddy rice (-1,600 tons). At the start of the harvest buying prices from producers were raised, in Malian francs and per kilogram, from 50 to 70 for corn, millet and sorghum, and from 62.5 to 75 for paddy rice. Income distributed among the rural population come to 11.9 billion Malian francs for cotton seed (-4.6 billion), 2.2 billion for peanuts (-0.7 billion), 1.5 billion for corn, millet and sorghum (-0.2 billion) and 4.3 billion for paddy rice (+0.6 billion).

Since 1978 foreign trade has developed as follows, in billions of Malian francs:

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Imports	128.6	152.9	183.9
Exports	50.4	62.7	85.9
Deficit	78.2	90.2	98

Among 1980 imports oil products accounted for 35 billion Malian francs (compared with 23.6 billion in 1979) and grains took care of 12.4 billion (+5.7 billion). Among exports, the modern sector supplies 45.5 billion Malian francs in revenues. Of this total, 43.5 billion comes from cotton: fiber, yarn, fabrics and cakes. Livestock exports account for 25.1 billion (traditional sector).

The general balance of payments for 1980 shows a deficit of 51.4 billion Malian francs (versus an equally negative balance of 25 billion for 1979). The deficit for goods and services is: 112.2 billion, attenuated by 60.8 billion in foreign assistance endeavors.

At the close of December 1980, bills and coins in circulation amounted to 81.8 billion Malian francs (+4.9 billion compared with the close of 1979). Total demand and term deposits in the banking system, including postal checks, come to 62.5 billion (+2.7 billion over the year).

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Conversely, credits for the economy came to 164 billion Malian francs (+9.8 billion compared with the end of 1979). Furthermore, credits to the government totaled 111 billion including 98.2 billion taken over by the Central Bank of Mali (versus 109.2 billion at the end of 1979). State corporations account for about 71 percent of short-term credit use.

Also, at the end of December 1980, net foreign assets showed an excess of commitments worth 105.5 billion Malian francs in exchange value, versus an insufficiency of 100.3 billion one year earlier.

The budget for fiscal year 1980, based on revenues of 76.8 billion Malian francs (+11.1 billion compared with the previous budget) and on expenditures of 79.4 billion (+6.9 billion), shows an anticipated deficit of 2.6 billion (versus 6.8 billion in 1979). Apart from the budget, foreign debt taken over by the Autonomous Amortization Fund totaled 7.3 billion Malian francs (+0.6 billion).

The general index of consumer prices for food products rose in 1980: a 14.5-percent increase for products sold by consumer coops and a 22-percent increase on the open markets.

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NIGERIA

## BRIEFS

NO PREFERENTIAL OIL PRICES--Late in June the Nigeria National Petroleum Corporation had once more confirmed that the country had absolutely no intention of lowering the price of its oil. On 3 July, after having been subjected to ever-increasing pressure from foreign oil companies, the company categorically denied the allegations published by the press, and notably by the NEW YORK TIMES, that it had had begun making sales at preferential prices. These allegations followed the decision--which, moreover, was not accepted by Libya (which decided on a \$1.10 per barrel reduction in the price of its crude, starting on 1 July)--made on 22 June at Hassi-Messaoud, in southern Algeria by the African members of OPEC (Nigeria, Libya, Algeria, Gabon) to maintain their prices at about \$40 per barrel. Nigerian production, which has been in a serious decline since the beginning of the year (MTM of 26 June, p 1717), allegedly declined to its lowest level in May, and the figure of 1.3 million barrels per day has already been put forward for that month. It was believed in oil circles, however, that a slight upturn would occur in June. But that augmentation may be only temporary, inasmuch as in June the companies were obliged to take out all of their quarterly (April to June) quota. It should also be noted that, if Nigeria has up to now remained almost unharmed by the first months of the oil crisis, it will be quite different by the end of the summer. Exchange reserves have reportedly already been impaired. For example, the idea is not discounted in business circles in the capital that the authorities may be obliged to take major steps in the next 2 months: limitation of imports and even, possibly, devaluation of the currency. In fact, people are recalling the 1977 crisis and the severe measures to which it led at that time. It is estimated that from 1 January to 31 May Nigeria produced an average of 1.75 million barrels per day, which brought it \$10.3 billion, the state receiving \$38.9 on a \$40 barrel. Now according to the budgetary predictions based on production of 1.9 million barrels per day, revenue should have been on the order of \$10.32 billion. Nigeria has thus fallen \$20 million short of its predictions. Nevertheless, the difference is much more striking if one compares the period with the predictions in the fourth 5-year development plan (1981-1985), which were based on daily production of 2.19 million barrels per day. According to that plan, oil revenue should have been \$17.3 billion over the last 5 months, which means a deficiency of \$1.6 billion by the end of May. According to capital business circles, the national development plan is already being revised. Nevertheless, according to the interim director of the NNPC [Nigerian National Petroleum Corporation], Mr Odoliyi Lodomari, Nigeria--the second biggest supplier to the United States after Saudi Arabia--is having no

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trouble selling its oil and has reportedly already found new buyers. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1829] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

AIRLINE TO BENIN--Proposed Link between Port Harcourt and Cotonou by Nigeria Airways. Nigeria Airways plans to establish a weekly flight between Port Harcourt and Cotonou, the capital of Benin. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1829] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

COOPERATION WITH GREECE--Theocharis Rentis, the Greek secretary of state for foreign affairs, made a 4-day visit to Nigeria in late June and early July. During his visit, a framework agreement on economic and technical cooperation between the two countries was to have been signed. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1830] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

CURRENCY RESERVES, LIQUID ASSETS--In its 25 May edition, the Lagos BUSINESS TIMES reports that Nigeria's currency reserves were at 5.7715 billion naira at the end of November 1980, and were thus 77.5 percent higher than on 31 December 1979, and 4.6 percent higher than on 30 November 1980 [as published] In its annual business report, the Central Bank had given a figure of 5.4456 billion naira for the end of 1980, compared to 2.2915 billion naira for the end of 1979, which is a gain within 1 year of 72.6 percent (MARCHES TROPICAUX ET MEDITERRANEENS 17 April, page 1133). Again according to the Lagos weekly, the bank's reserves alone amounted to 5.5925 billion naira at the end of the year, and showed an increase 96.9 percent greater than the one for the end of 1979 and 4 percent compared to those for the end of November 1980. In addition, in its latest monthly bulletin, the Central Bank also shows a rather distinct increase in the country's money supply from one year to the next. These assets stood at 9.2268 billion naira at the end of December 1980, and were up 3.0802 billion (+50.1 percent) from the end of December 1979. From November to December last year, the increase was 628.7 million naira (+7.3 percent), whereas the difference between October and November was only 148.7 million (+1.8 percent). Note that in the previous year the difference between the last 2 months was reflected as a drop of 374.2 million naira (-5.7 percent). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81 p 1717] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 12149

INDUSTRIAL OUTPUT--Only + 0.6 percent in 1980--According to the Central Bank of Nigeria, the country's industrial output experienced an increase of only 0.6 percent in 1980, whereas in 1979 it had been 18.6 percent (MARCHES TROPICAUX ET MEDITERRANEENS, 31 October 1980, page 2678). The index, established on the 100 basis in 1972, fluctuated downward during the year, falling in particular by 10.3 percent at the end of the first quarter compared 31 December 1979 by settling at 155.8, rallied slightly at the end of the third quarter, settling at 161.8 (MARCHES TROPICAUX ET MEDITERRANEENS on 8 May, page 1306), and finally wound up at 168.1 on 31 December. The slight increase recorded in 1980 is attributable in particular, according to the Central Bank, to a decline in the mining sector, including oil. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81 p 1717] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 12149

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UPPER VOLTA

## FIVE-YEAR PLAN OBJECTIVES DISCUSSED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 24 Jul 81 pp 1918-1920

[Summary] Upper Volta is one of the least favored countries on the continent and one whose prospects hardly encourage optimism. The subsistence economy is not yet evolving into a market economy. Between 1970 and 1980 the GNP has increased annually an average of only .6 percent, in fixed value francs: 87.6 billion CFA in 1970, 93.4 billion in 1980. As for per capita GNP, this figure has declined during the same period (16,850 CFA in 1970 compared to 15,000 in 1980). A breakdown of GNP by sector shows the general stagnation of the economy, with the only significant increase being in services.

	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>Avg Annual Change</u>
Agriculture	18.5	21.3	18.2	-
Stockraising, fishing	19.6	13.7	12.3	-4.7
Industry, crafts	13.4	15.7	15.9	+1.7
Services	36.1	39	47	+2.7
Total	87.6	89.7	93.4	+0.6

The financial situation shows a trend toward deficit: 7.7 billion francs CFA in 1979, but an improvement was underway in 1980 with estimated deficit at 2.3 billion. It is no surprise to find a deficit also in the trade balance with a declining ratio of exports to imports. Compared to 41 percent in 1970-1974, the figure was 37 percent in 1975-1980. The increased oil price was one of the main causes of this trend. Prices of livestock, the country's main export (50 percent) have increased, but not enough to reverse the very clear deterioration in terms of trade.

Finally, with diminishing assets abroad and an increasing foreign debt, the state budget is reduced to the function of meeting operating expenses; investment expenditures are met in large part by foreign aid. During the 1976-1979 period, foreign support provided 90 billion francs CFA out of the 112 billion invested.

## A New Program in an Effort to Progress

The government is perfectly aware that the present situation cannot continue indefinitely, and that foreign aid, however large, cannot magically give impetus to

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a lagging economy. The main objectives for the decade 1981-1990, included in the latest 5-year plan, are as follows: food independence and security; improved income for rural people and stockraisers; improved standard of living; struggle against desertification; escape from external and internal isolation; and development of the industrial sector. To this end, prompt actions will be taken in the various sectors:

1) Rural sector--Production of millet, sorghum and maize is now about 1 million tons. The goal of 1.68 million is established for 1990. Rice should increase from 45,000 tons to 80,000 tons, and groundnuts from 120,000 tons in 1980 to 220,000 tons in 1990. This will require development of new land, better utilization of water, and improved farming techniques. Under this plan, food independence would be achieved before 1990 by a 10 to 15 percent total increase in grain production. Among the major projects for 1990 is the Volta Valleys Development (AVV--amenagement des vallees des Voltas), involving about 55,000 families and expanding production of grain and commercial crops (150,000 tons of grain, 70,000 tons of cotton, 40,000 tons of groundnuts, and 50,000 tons of sugarcane).

2) Industrial sector--This sector accounts for a little more than 11 percent of the GNP, but since 1978 there has been a significant decline. In 1980 industry employed 7,000 persons, or .21 percent of the active population.

Mines. Upper Volta used to export copper ore (Gaoua mine) and gold from Poura mine until 1966 (1,000 kg/yr). This deposit will be mined again for about 20 years. Aside from indications of nickel at Bonga and Dablo, and of gold at Kiere, the manganese of Tambao is the main hope. The technical-economic study has been completed; no date has been given for beginning of exploitation.

Industries. Current conditions do not favor establishment of viable industries. Existing industry is located at Ouagadougou, Bobo-Dioulasso, Banfora (sugarmill) and Koudougou (spinning, weaving). Factories for fertilizer, livestock feed, and veterinary and pharmaceutical products are being planned.

Energy. The basic objective in this sector is diversification of energy sources, i.e. reducing the traditional dependence on oil (15 percent of purchases abroad); and on wood burning for domestic purposes which has significantly degraded the forest resource. Emphasis is on hydroelectricity, for which five sites have been studied. However, the Koulbi Noubel dam is the project which could significantly ease the petroleum bill. Because of its importance, it is being handled outside the program, but it is nonetheless high priority.

3) Infrastructure. Roads. The network has 8,614 km of classified roads, of which 860 km are tarred. Objectives for this 10-year period are almost the same as those for the 1977-1981 plan: improvement and development of the international network and the secondary network (roads and tracks). Projects include the Abidjan-Niger highway and complete renovation of the Dori/Djibo road in the secondary network. But the main problem continues to be maintenance of the road network; adequate structure will have to be developed on a national level to minimize reconstruction and costly renovation.

Railways. The vital Abidjan-Niger system will be improved and modernized. Still under discussion is the Ouagadougou Tambao railway project, with the purpose of

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exploiting the manganese of the area, but it is unlikely that this will come about in the next 10 years.

In summary, the following are the main figures of the new plan:

- Rural sector: 33 percent; 268.2 billion CFA
- Industrial sector: 15 percent; 166 billion CFA
- Services: 7 percent; 44.6 billion CFA
- Economic infrastructure: 25.5 percent; 200 billion CFA
- Social sector: 17 percent; 108.8 billion CFA
- Research: 3.5 percent; 22.4 billion CFA
- Total: 810 billion CFA

Not included in these figures are:

- major hydro-agricultural projects: 60 billion
- major dams: 70 billion
- Tambao railway project: 37 billion

Development, but Supplementary Costs

This figure of 810 billion, which is only an estimate, will be provided through foreign aid. However, it must be remembered that there are always operating and recurrent costs which affect every project, and it is estimated that these could amount to 28 to 31 percent of the initial investment over this period. Therefore, consideration will have to be given to supplementary financing and careful planning and management to achieve a lessening of Upper Volta's dependence.

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ZAIRE

MOBUTU TAKES ON DE BEERS OVER DIAMOND EXPLOITATION

Brussels POURQUOI PAS? in French No 3268,16 Jul 81 pp 37, 39

[Article by Jean Pourbaix]

[Text] The "De Beers Central Selling Organization", the primary wheel in the mechanism for the world marketing of uncut diamonds, seems to have lost the contract for exclusive sales which it has had for the last 14 years with Zaire, the world's main producer of industrial diamonds. In order to understand better the significance of this at least potential rupture, it is useful to recall that the De Beers group not only is the world's largest producer of stones, but through its subsidiary the "Central Selling Organization" or CSO of London, it controls four-fifths of all diamond distribution worldwide.

CSO buys uncut diamonds from everywhere (even the Soviet Union), sorts and classifies them, and makes up rationally balanced assortments adapted to the conditions of the diamond market. It sets the price at which uncut diamonds are bought from the mining companies, then sold to the accepted diamond-cutters who transform them into jewelry or into diamonds usable for the manufacture of industrial tools.

The assortments put together by the experts at CSO are offered in indivisible lots to buyers at sales--which are called "sights" or "viewings"--organized 10 times a year in London. The price is fixed in advance and the buyer does not have the right to reject two consecutive lots offered to him, without running the risk of being taken off the list.

Because of this system, De Beers has never been forced to lower its prices, even in time of recession, in nearly half a century. When necessary, it prefers to stock unsold diamonds until economic circumstances improve. The result is a secularity which is appreciated by the producers and which in large part explains the solidity of the quasi-monopoly which up to now has been held by De Beers.

Kinshasa Intends to Market Its Own Diamond Production

At the present point in time, it happens that after the meteoric climb (of 100 percent and more) experienced by retail diamond prices 2 years ago, the market is in a state of depression.

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At the general meeting of the "De Beers Consolidated Mines Ltd" which was held at Kimberley (South Africa), President Harry Oppenheimer announced the group's decision to reduce its production. This decision, he said, was motivated by the weakness of world demand and by the accumulation of "sizable" stocks. Moreover, CSO has for several months already been working to reduce the volume of the stones offered its periodic sales.

Also, some producers fear that the organization is going to impose quotas and they are considering marketing their production themselves. This is the game which Zaire has just started to play, a country which is the world's largest producer (by volume, not by value) of diamonds.

During the month of April, Kinshasa entrusted the sorting, assessment, and sale of Zairian diamonds to the state entity "SOZACOM" (Zairian Mineral Marketing Company). Since 29 May, SOZACOM has gone ahead in Kinshasa with the sale of 620,000 carats in diamonds to three independent businesses, the "Caddi" and "Glasol" firms of Anvers and the "Industrial Diamond Company" of London. At a rate of some \$10 per carat, SOZACOM has brought in a total of around \$6 million.

At De Beers, hope has not been abandoned of restoring relationships with the Zairian authorities. Nevertheless, the decision made by Kinshasa to hold a new sale in June leads one to think Zaire is not going to change its position.

#### The Twilight of a Worldwide Quasi-Monopoly

It is true that a complete cessation of deliveries of Zairian diamonds would not cause CSO any great harm. CSO would be hurt worse if Zaire were capable of stopping the smuggling of its diamonds.

Zairian diamond production is carried out by the MIBA company, or Bakwanga Mining Company. Production for 1980 was 8,001,076 carats, down from that of 1979, which was 8,062,869 carats. These figures are put out by the Belgian company SIBEKA (Industry and Investment Company) which holds a 20 percent share of MIBA. "The illicit exploitation and theft of diamonds", SIBEKA reports, "were especially serious during 1980 and constituted one of the major concerns of the company, which is determined to fight theft within its installations by strengthening security and disciplinary measures, and more particularly by setting up a new electronic surveillance and alarm device."

If one can believe the ECONOMIST, no less than 4 to 6 million carats leave the country clandestinely, but the De Beers CSO supposedly succeeds in intercepting a large part of it on the road that leads to Anvers.

The Zairian defection, however, does constitute despite all this a major source of concern for the De Beers group, for a different reason. It fears, in effect, that others will emulate Zaire, that it will incite other African producers to follow its example.

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If the Zairian experiment, freed of the tutelage and technical assistance of CSO, were to succeed, which is far from having been demonstrated, countries like Tanzania and Lesotho could march in step with Kinshasa. It would certainly be no different in Namibia, the principal producer of unusual gems, if a SWAPO [Southwest African People's Organization] government were to take power.

The day when that scenario is enacted, one might say that the historic monopoly of De Beers in diamonds belongs to the past.

#### The Risks Taken by Zaire

We must not fail to appreciate that Kinshasa is also taking some ticklish risks in emancipating itself from the De Beers group. The ECONOMIST does not hesitate to put it boldly in print: "The risks Zaire has taken by breaking with CSO are enormous". For Zairian production has been in a phase of rapid decline for several years now. "The exhaustion of the rich detrital deposits accelerated in 1980 and makes it indispensable," SIBEKA writes, "to accelerate the implementation of the investment program prepared by MIBA to increase the extraction of Kimberlitic ore and begin exploitation by dredging the alluvium of the Mbujimayi River as well as the adjacent bottom lands."

As it is unable to underwrite the financing, in hard currency, of the necessary investments, which require the immobilization of some \$70 million (2,750 million Belgian francs), the program has to date been only partially realized. There have been contacts in recent months between the Zairian authorities, the International Finance Corporation, a subsidiary of the World Bank, and MIBA. They have resulted in the elaboration of a financing mechanism to cover the hard currency needs, but whether it goes into effect now depends on the conclusions of the IFS mission recently sent to Mbujimayi to study the project as a whole.

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ZAIRE

FOREIGN, DOMESTIC ACTIVITY IN OIL OPERATIONS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 26 Jun 81 p 1722

[Text] Research and Development

At present, three operating companies are engaged in prospecting for oil in the Republic of Zaire.

1: Zaire Gulf: Offshore research and development in Zaire are provided by the Zaire Gulf Oil Company, an operating company working on behalf of the three holders of the prospecting permit, which are, in order, Zaire Gulf Oil Company: 50 percent; Japan Petroleum Zaire: 32.28 percent; SOLIZA [Zairian Petroleum Company]: 17.72 percent.

In 1980, Zaire Gulf produced 6.508 million barrels, compared to 7.614 million barrels in 1979 (- 15 percent). Output for the first 4 months of 1981 rose to 2.402 million barrels, against 2.226 million barrels for the corresponding period in 1980. The forecast is for 7.5 million barrels in 1981.

The 1980 investment program was concerned with well reconditioning and completion, drilling activities for sinking exploratory wells at Mwamba III, and a producing oil well. Between 1970 and 1980, 27 wells have been sunk: 11 are producing oil, 3 gas and oil, 2 are being used for water injection, and 10 are non-productive. The 1981 program involves 96 million dollars. In particular it plans for an earthquake levee about 120 km long, and the sinking of seven wells.

2: ZAIREP [expansion unknown]: The oil prospecting mineral rights in the coastal area have been entrusted to SOREFZA [expansion unknown], Shell Zairex, and AMOCO Explo Zaire companies. The contracting companies, as a joint company and responsible for the financing of research and development are ZAIREP (Petrofina 100 percent), operating company holding 30 percent of the partnership; Shell Zairex (Shell 100 percent), operating company holding 25 percent of the partnership; and AMOCO Zaire Petroleum (AMOCO 100 percent), holding 45 percent in the partnership.

ZAIREP began experimental production in April 1980. For the year 1980, the partnership's production was 142,325 barrels, and the first exports, in

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Decemoer 1980, involved 36,228 barrels. During the first 4 months of 1980, average production reached 600 barrels a day.

The 1981 program plans continued production attempts. Three new wells will be sunk during the second quarter of the year. In the event of positive results, these wells could lead to large scale production by this organization.

It should be noted that storage and pumping facilities at Kinkaji are connected by a 4-inch pipeline 17 km long to the Mibale East formation. The Mibale field, equipped with storage, pumping, and crude processing (water/salt separation, gas separation) facilities, is connected by a 16-inch sea-line 4 km long to the storage tanker "Solen" via Zaire Gulf's production platform.

In the 24 April edition (page 20) of MARCHES TROPICAUX, we had already indicated that ZAIREP had reportedly decided to put the finishing touches to an important project related to the study of asphaltic sands at Mavuma, in the Lower Zaire region.

3: ESSO-Zaire: The companies holding the oil prospecting mineral rights in the central basin are ESSO and TEXACO (50/50 percent). The operating company for the partnership, responsible for execution of research programs is ESSO-Zaire (a subsidiary of EXXON).

The company's 1981 research program includes two exploratory wells. The first one was completed in May, and the second one will be drilled between 1 July and 1 October, at Bindja "Gilson." On the basis of the results obtained through these two wells, the company may decide on a seismic program in 1982-1983.

#### Consumption and Imports of Petroleum Products

In 1980, the consumption of petroleum products in Zaire amounted to 850,290 cubic meters (+4.3 percent). The country's supply was distinctly better, and reserves, which were almost non-existent at the end of 1979, have been built up again. Consumption has however been restricted by the price increase that occurred on 18 March 1980, and raised gasoline from 2.50 zaires per liter to 4 zaires, the price still current.

It should be noted that importers of petroleum products receive currency allocations from the Bank of Zaire, with the exception of those in Shaba and the East, in which a portion of the needs are covered by SAD (without currency attribution) licence.

Crude oil imports fell from 383,450 tons in 1979 to 366,055 tons in 1980. For 1977 and 1978, imports of crude had been 142,053 and 202,372 tons respectively. Imports of refined products rose to 444,913 tons in 1980, against 400,549 in 1979.

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#### Refining and Distribution

The national refinery at Muanda processed 420,489 tons of crude in 1980, against 406,598 tons in 1979 and only 168,336 tons in 1977. The refinery's capacity is 750,000 tons of crude. At present it covers a little over 30 percent of the local market needs; its deliveries of finished products rose in 1980 to 273,844 tons, compared to 231,994 tons in 1979.

Fuel oil, which is little used in developing countries, must be exported. Exports were 9,376 tons in 1977, 138,422 tons in 1979, and 137,224 tons in 1980.

It is interesting to note that since 1979 the refinery has been using locally produced crude, mixed with imported crude. A desalinization facility was put into service in April 1981. In theory, it makes it possible to assure operation of the refinery with local crude alone. This solution has not been adopted, since Zairian crude contains properties that better meet the needs of the industrial countries (60 percent fuel oil).

Distribution of petroleum products is provided by Fina, Mobil Oil, PETROZAIRE [Zairian Petroleum Enterprises], Shell and TEXACO.

#### PETROZAIRE

The PETROZAIRE company (Zairian Petroleum Enterprises) is an establishment belonging to the state, founded in 1978 by ordinance no. 78-004. The company's articles of incorporation cover the whole range of oil activities possible within the country: prospecting, production, refining, distribution, petrochemistry.

PETROZAIRE, the state's advisor on oil policy, is also responsible for effecting the studies relating to strategic investments. Since its creation, it has completed three important studies:

Construction of a new 12-inch oil pipeline between Matadi and Kinshasa since the existing facilities had already reached maximum capacity in 1974.

Feasibility study of extension of the Muanda refinery with a view to doubling capacity, raising it to 1.5 million tons a year. The distilling process chosen would be "hydro-cracking" and not atmospheric distillation which produces large fuel oil residues. The cost of the project, estimated at approximately 250 million dollars, does not permit anticipation that it will be implemented in the near future.

The third study, which is very important to PETROZAIRE, given its level of profitability, concerns installation in the refinery of a mineral tar unit with a capacity of 35,000 tons a year. The financing of the project requires 8.5 million dollars and 5 million zaires. Achievement would make it possible to use large quantities of fuel oil that are now exported.

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42

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ZAIRE

BRIEFS

NGUZA TO PUBLISH BOOK--Nguza Karl I Bond has chosen Paris to launch a campaign against President Mobutu's regime. It will begin with the publication of "The 30 June Appeal," a 70-page book that the former Zairian prime minister dated symbolically with his country's independence day and in which he calls upon "the Zairian people to awake." /By Sennen Andriamirado, in column Afrique Confidentiel / /Text / /Paris JEUNE AFRIQUE in French No 1069, 1 Jul 81 p 21 / /COPYRIGHT: Jeune Afrique GRUPJIA 1981 / 12149

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