OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.

DISCLAIMER

FAIR USE POLICY

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna International Centre, P.O. Box 300, 1400 Vienna, Austria
Tel: (+43-1) 26026-0 · www.unido.org · unido@unido.org

15753

Distr.
RESTRICTED

UNIDO/IO/R.246
14 August 1986

ENGLISH

UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

FOLLOW-UP TO THE INITIAL INTEGRATED INDUSTRIAL PROMOTION PROGRAMME AT THE SUB-REGIONAL LEVEL

XA/RAF/85/616

Technical report: Revised integrated industrial promotion programme for the Western African Sub-region *

Prepared for the Executive Secretariat of the
Economic Community of West African States (ECOWAS)
by the United Nations Industrial Development Organization

Based on the work of Mr. Solomon G. Odia,
Regional Adviser on industrial development (Western Africa)

* This document has been reproduced without formal editing.

V.86-59210

CONTENTS

		page
SUMMARY OF FINDINGS AND CONCLUSIONS		iii
CHAPTER 1:	INTRODUCTION	1
	1. Objective of the report	1
	2. Historical background	1
	3. Sub-regional co-operation	3
	4. The Industrial Development Decade for Africa (IDDA)	8
	5. The Initial Integrated Industrial Promotion Programme for West Africa	12
	6. Scope and contents of the report	15
CHAPTER 2:	ASSESSMENT OF OBSTACLES AND POTENTIALITIES FOR SUB-REGIONAL INDUSTRIAL CO-OPERATON	16
	1. Summary of resource and industrial structure ..	16
	2. Areas of existing and potential co-operation ..	21
	3. Existing economic and industrial strategies and policies	30
	4. Analysis of institutional arrangements and their impact on sub-regional co-operation	34
	5. Summary of main strenghts and weaknesses of industrial co-operation	38
CHAPTER 3:	ASSESSMENT OF THE IMPLEMENTATION OF THE INTIAL PROGRAMME OF INDUSTRIAL CO-OPERATIONS.....	44
	1. Status of implementation	44
	2. Identification of selected investment projects requiring UNIDO assistance in their promotion .	56
	3. Analysis of the causes underlying success/failure in implementation	59
CHAPTER 4:	PROPOSAL OF A REVISED PROGRAMME OF SUB-REGIONAL INDUSTRIAL CO-OPERATION	62
	1. Recommendations for overall policy	62
	2. Identification of strategic sub-sectors	65
	3. Operational plan	68
	4. The revised programme	77

page

CHAPTER 5: STRATEGY PROPOSAL FOR THE IMPLEMENTATION OF THE REVISED PROGRAMME 83

1. Decision making process to endorse the revised programme 83
2. Recommended activities for promotion of the programme among economic agents 86
3. Proposals on bi-lateral and multi-lateral sources of financing 93
4. Possible role of the co-ordinating and other agencies 94
5. Possible role of UNIDO 96

ANNEX 1: Selected country reports 97

I. Togo 97
II. Côte d'Ivoire 103
III. Senegal 106
IV. Guinea 110
V. Sierra Leone 116
VI. Niger 123
VII. Liberia 127
VIII. Mali 132
IX. Mauritania 142
X. Nigeria 150
XI. Ghana 167

ANNEX 2: Existing sub-regional policies and institutions 177

ANNEX 3: Profiles of projects in the revised programme .. 182

ANNEX 4: Analysis of intra-trade statistics of the West African Sub-region 243

ANNEX 5: Major West African mineral deposits, exploitation and uses 251

SUMMARY OF FINDINGS AND CONCLUSIONS

I. Introduction

I.1 The objective of the report is to promote intra-African industrial co-operation within the West African subregion, by presenting a realistic, operational and accelerated programme of action.

I.2 The immediate post independence era marked a determined effort on the part of national governments to industrialise, invariably at the expense of agriculture. The adoption of import - substitution strategies, characterised by the importation of almost all the factor inputs, often resulted in little or no technology transfer and very little value-added. Essentially, these countries established light industries with relatively small capacities to meet the climate of national markets and producing mainly consumer goods. The serious effects of these policies and measures are reflected in the low level of intra-regional trade and industrial co-operation. Owing to low incomes, small population sizes and over protection of these industries, the markets have continued to remain too small over the years to benefit from economies of scale and the discipline involved in improving standards and productivity in a competitive environment.

I.3 A more adverse effect has been the shift of labour from agricultural areas to industrial urban centres, putting pressure on new infrastructures and training facilities.

More recently, harsh economic and climatic conditions have worsened the deterioration in the industrial subsector. Not only has industrial output declined, the overall growth rate of per capita income has been negative.

I.4 In recognition of these and other related problems, the ECOWAS Treaty was signed in 1975. To make the industrial sector more effective, the Treaty, among others, identifies three stages of subregional industrial co-operation:

- Stage I: Exchange of information on major industrial projects;
- State II: Harmonization of industrial incentives and industrial development plans;
- Stage III Personnel exchange, training and joint-ventures.

The achievements of these goals under the umbrella of ECOWAS leave much to be desired. Nevertheless, a number of efforts have been made at enhancing the role of multinational industries within the subregion through bilateral and multilateral arrangements.

I.5 In addition, the subregion has more than forty sub-regional organisations, referred to as Intergovernmental Organisations (IGOs). The IGOs, however, in spite of this proliferation, have not succeeded in being the catalysts to the subregion's development process. The reasons include:

- the degree of duplication and overlapping of activities and functions;

- poor co-ordination and implementation if ideas and decisions;

- the discontinuity of policy and non-commitment to the ideals of IGOs;

- poor resources and funding.

I.6 In 1983, the ECOWAS Summit decided on the Adoption and implementation of a Single Trade Liberalisation Scheme for Industrial Products originating from member states. A draft protocol relating to the promotion of Community Enterprises was also signed by member countries in 1984. All these suggest that the will for industrial co-operation exists.

I.7 Accordingly, the Heads of States and Government, through the Lagos Plan of Action, affirmed their support for efforts by UNIDO and other international agencies in focusing greater world attention and concern on the industrial problems of Africa. In support, the United Nations General Assembly proclaimed the 1980s as the Industrial Development Decade for Africa (IDDA) with a view to a greater mobilisation of the resources of the countries concerned, close co-operation, especially in matters relating to trade, transportation, and skills, and substantial assistance from outside the region.

I.8 At the national level, the countries must carefully identify core industrial projects and pay attention to the development of physical infrastructure, institutional mechanisms, technology and the enhancement of local inputs.

I.9 At the subregional level, it is essential to work out a programme of industrial complementarity of core projects based on resource endowment factors and on joint participation. The overall objective is to establish self-sufficient and self-sustaining industries within the context of the subregion by ensuring full and effective utilization of local natural resources, strong sectoral and institutional linkages, the creation of employment and diffusion of technological know-how. The advantages of increased co-operation include the benefits of specialization, complementarity and economies of scale, freer and better use of community resources and industrial output, and access to larger markets.

2. Obstacles and Potentialities for Subregional Industrial Co-operation

(a) Potentialities:

2.1 The subregion can be divided into two: The Sahelian, land-locked states and the coastal tropical countries. The difference in vegetation and other characteristics of each group as well as the varying endowment factors in the subregion enhance the degree of complementarity possible and the urge for interdependence.

2.2. The subregion's population in 1982 was about 152.2 million. This by any standard constitutes a formidable market.

2.3 As shown in Table 2.1 , the subregion is blessed with innumerable mineral resources most of which are yet to be developed, and a wide variety of consumable and exportable agricultural products like cocoa, timber, groundnut, palm oil, fish and other sea products, cattle etc. It is not so much

the variety of these products that is impressive, the potentials for agricultural development and consequently agro-industry is almost boundless.

2.4 In spite of the stringent protection policies of the various governments the extent of smuggling and unofficial intra-trade with neighbouring countries gives the hope that a relaxation of these regulations will further promote trade and industrialization, especially in the private sector, and serve as an incentive to the existing development efforts.

2.5 Already, there is an industrial awareness and the desire to attain greater reliance on locally generated inputs. Thus, the foundation for industrialization and co-operation has been laid. With the assistance of the World Bank, and the International Monetary Fund (IMF), many of the policies and strategies at the national level are becoming corrective measures. Policies adopted aim at changing the structure of the economy in order to accentuate the importance of agriculture and rural development and orientate the industrial sector from import-substitution to its being more resource-based.

2.6 The numerous instances of co-operation, bilateral or multi-lateral economic agreements as shown by the number of IGOs, and the establishment of a number of multi-national industrial projects and the establishment of an Association of IGOs are all indicative of the sustained efforts by the political leadership at solving existing problems.

2.7 More importantly, the commencement of private sector co-operation, even at its rudimentary stages, as evidenced by the establishment of the Association of Chambers of Commerce, the Association of Regional and Subregional Finance Institutions and the enthusiasm for sectoral and professional co-operations, augur well for the future in view of the tremendous potential of the sector in economic co-operation.

2.8 Substantial preparatory work has already been done as shown by the formidable lists of policies and resolutions already adopted.

2.9 (b) <u>Weaknesses</u>

2.9 Agricultural productivity has been relatively low. It thus failed to provide the necessary drive for the development of other sectors in the subregion. This is by far the largest and most important sector providing employment for over 80% of the population and has been subject to utter neglect in the development process.

2.10 The inherent characteristics of the industrial strategies adopted meant an internal domestic market orientation and a heavy dependence on imported, semi-processed raw materials and machinery. In short, inadequate local input, restrictive national policies on imports and labour mobility within the subregion have been most detrimental to meaningful subregional co-operation. Moreover, most of the industries provide little or no linkages at the sectoral, national or subregional levels.

2.11 Perhaps, the most frustrating factors are the gross inadequacies of infrastructures, technology and skills in most of the countries. These factors act as disincentive to external investment and restrict communications and trans-

portation, the essential requirements for effective subregional co-operation.

2.12 More recently, the global economic recession, the prolonged drought, high cost of fuel, foreign exchange problems, ever rising foreign debts and other harsh economic factors have all contributed to weaken subregional co-operation. Even then the high cost and low competitiveness of most industrial products are limiting factors.

2.13 There is utter ignorance, especially in the private sector, of the existing economic opportunities and possibilities for co-operation that exist in other countries of the subregion.

2.14 Most unfortunately, the corrective measures formulated by the World Bank and IMF and the various National Development Plans do not show reference to, or give consideration to, subregional policies, strategies and linkages. There is no evidence of intra-national consultations at the planning stage.

2.15 Ideological and language differences, geo-political factors and the gross underutilization of the facilities of subregional institutions, like the Clearing House for West Africa in Freetown, Sierra Leone are still major barriers.

2.16 In conclusion, a careful study and implementation of the UNECA Report - "Strengthening Economic Integration in West Africa" - will go a long way towards enhancing the effectiveness of economic co-operation in the subregion.

3. Assessment of the Status of Implementation of the Initial Programme of Industrial Co-operation

3.1 During the subregional meeting on the promotion of Intra-African Industrial Co-operation held on 12 - 16 December, 1983, thirty-five industrial projects and seventeen projects

ccvering inst!tutions, infrastructural and manpower de elop-ment were included in the Initial Programme. At that meeting over ten additional projects were, at the spur of the moment, submitted. It was a year later before the Industry Sub-commission, at the seventh meeting of the Agriculture, Industry and Natural Resources Commission of ECOWAS could consider the programme. For one reason or the other, the initial Programme could not be submitted formally to the Council of Ministers for approval.

3.2 Table 3.1 , shows the status of the implementation of the programme as at December, 1985. Failure to implement the recommendat!ons of the Abidjan meeting can be attributed to one or more of the following:

(i) projects not well thought out,

(2) Projects submitted without date or necessary studies,

(3) Inability to identify core subregional projects as distinct from national projects,

(4) considerations other than economic in selecting and locating projects,

(5) not clearly identifying priority subsectors,

(6) too many projects,

(7) poor communication between ECOWAS Secretariat, member countries and other IGOs,

(8) poor communication and co-ordinating at the national ministries and agencies,

(9) current economic depression,

4. Proposals of a Revised Programme of Subregional Industrial Co-operation

4.1 Notwithstanding the formidable list of policies adopted by the Council, the criticisms are that the policies of ECOWAS and other economic communities of West Africa are more oriented towards trade liberalization. Secondly, policies are not implemented. Finally, there is over-dependence on Government for initiation and implementation of policies.

4.2 With these observations, the following policy measures that will support industrial co-operation are recommended:

- (i) Codification, review and wide circulation of existing policies;
- (ii) Adoption of a policy and programme on greater involvement of the private sector;
- (iii) Enactment of policy directives on mobilization of local resources;
- (iv) Adoption of policies and programmes on:
  - (a) the development of local industrial enterpreneurship and indigenisation;
  - (b) energy as it affects industrialisation,
  - (c) existing crisis in public sector enterprises.

4.3 A reorganisation of the ECOWAS Secretariat Department of Agriculture. Industry and Natural Resources is strongly recommended. There is need to establish a Department of Industrial Promotions to carry out a number of specified functions. The Department should have at least one English speaking member of staff who can relate to the five anglophone member countries, deal with the substantial number of reports, documents and correspondence in English and represnet the Department at meetings held in English. It is strongly recommended that National Co-ordinating Committees be strengthened or established in countries where they do not already exist. Relevant proposals of UNECA's study referred to above need to be reviewed and implemented. Finally, it is recommended that support projects and studies be given priority in the Programme in order to strengthen the institutions and facilitate implementation of programmes and policies.

4.4 Table 4.1 , shows 20 identified branches of the IDDA priority sub-sectors bearing in mind the ECOWAS Council of Ministers' priority subsectors (ECW/CM VI Res. 26). The branches are determined not only by their industrial linkages but also by their linkages and complementarities with national, subregional, regional and world programmes. The table forms the basis of a model for the attainment of self-sufficiency and self-sustaining industrial sector in the subregion.

4.5 In addition to <u>subsectoral</u> branches, the following functional branches have been identified as crucial to the implementation programme:

(i) Institution Building relating to the strengthening of community secretariats responsible for industrial co-operation.

(ii) Finance and Investment Promotions

(iii) Management relating to improving organizational effectiveness and management not only in respect of the communities but also in respect of subregional industrial projects and programmes.

(iv) Research relating to local endowment and other economic and technical factors.

(v) Technology Transfer and Training

(vi) Trade/Private Sector Involvement

4.6 The Operational Plan set out is based on three assumptions:

(i) That the Government, the Community Secretariats and all concerned appreciate fully the problems so far encountered in the implementation of the initial Integrated Industrial Promotion Programme.

(ii) Wholehearted commitment towards achieving the goals and objectives as laid down in the Lagos Plan of Action and the IDDA programme;

(iii) That the time element is important.

Accordingly a gradual step-by-step approach is recommenced in the main report in line with the functional activities and in the context of the subsectoral branches identified.

4.7 The Integrated Industrial Promotion Programme as revised at the Subregional Follow-up Meeting held in Lome, Togo (2 - 6 December, 1985) is at Appendix I. In spite of the criticism regarding the size of the Initial Programme as set out at the Abidjan Meeting (November/December 1983), the revised programme consists of a list of 40 Investment and 13 Support Projects including Studies categorised under short-term, medium-term or long-term. These categories are not only synonymous with the priority attached to them but also to the readiness of the projects for implementation. The impression is given by the representatives that they are all priority projects. Moreover, a number of feasibility studies in respect of certain Investment Projects are still to be submitted or up-dated.

4.8 Two broad conclusions are deduced from the Lome meeting:

(a) The onus of implementing the revised Programme has become even greater notwithstanding the problems of the Initial Programme, and it has devolved more than ever before on the Community Secretariats to assist in establishing priorities and in getting the projects off the ground,

(b) Consequently, the Institutional Support Projects have become of paramount importance and should be accorded the priority it deserves. Equally important is the capability of mobilising the necessary financial and other resources for the implementation of the Programme.

4.9 On studies, special attention is drawn to the following projects which require assistance:

(i) Subregional Aluminium/Alumina strategy,

(ii) Subregional Iron and Steel strategy,

(iii) Integrated fish and fish Processing study, and

(iv) The processing of rutiles.

The Regional Adviser strongly believes that the subregion can attain self-sufficiency in the building and construction subsector within five years in view of the rich resources available.

The demonstration effect of a success story in one subsector can have favourable impact on other subsectors. A strategy to this effect is therefore proposed.

5. Strategy Proposal for the Implementation of the Revised Programme

5.1 Decision-making process to endorse the Programme involve:

- (1) Submission of proposals by national governments and IGOs, and the processing and submission of these proposals to the subregional meeting on the Promotion of Intra-African Industrial Co-operation by ECOWAS Secretariat;

- (2) Submission of a draft Integrated Industrial Promotion Programme to the Commissions of the various Communities and IGOs;

- (3) Examination of the Programme by the subcommission for industrialization before the Commission's approval;

- (4) Submission to the Council of Ministers for approval; and

- (5) Formal endorsement by the Authority (of the Heads of State).

It is observed that:

(1) the decision-making process is too long and the decision-making bodies do not meet frequently;

(2) the representatives of governments are not necessarily the same persons at the Commission level; and

(3) sometimes the Ministry of Industry is not aware of the projects submitted by the Ministry of Planning.

The following suggestions are therefore made:

- (1) joint and formal endorsement, by the various relevant Ministries, of projects;

- (2) inclusion of the representative of the Ministry of Industry at the sub-regional meeting;

- (3) establishment of a separate Commission of Industry;

- (4) delegation of authority to the Commission and the Secretariat in formulating and implementing the programme;

- (5) regular submission of reports and information to the Councils of Ministers and Authorities; and

- (6) consideration of time in the decision-making process.

5.2 A number of activities are recommended for promotion of the Programme among economic agents. First, the Programme should be widely circulated. Local resources need to be mobilised. Use of information media and freer exchange of information are needed. Member States are requested to state their interest in equity holdings and the extent of such participation in respect of projects in other member countries. The Community Secretariat concerned in collaborating with the government, should be responsible for the co-ordination.

5.3 A more pragmatic approach towards harnessing sources of assistance can make tremendous impact on development efforts. The report proposes two-pronged approach involving the host government and ECOWAS or the Community Secretariat involved.

As a supplement to the efforts of host governments in mobilising domestic and external resources, the ECOWAS or Community Secretariat solicits assistance by presenting the Programme globally so that donor countries and other investors and aid-giving bodies can choose any project of interest. An annual or bi-annual pledging (Round-Table) conference is also recommended.

5.4 All the proposals and recommendations contained in the report can only be implemented by strengthening the Department of the Community Secretariat involved and providing the wherewithal for effective performance.

CHAPTER 1

INTRODUCTION

1. Objective of the Report:

1.1 This report has been sponsored by the United Nations Industrial Development Organisation (UNIDO), at the request of the Economic Community of West African States (ECOWAS), with the objective of studying the industrial sector of Member Countries of the Community in order to present a programme for promoting intra-African industrial co-operation. Its main purpose is to prepare and present a realistic operational and accelerated programme of action for subregional co-operation within the framework of the Industrial Development Decade for Africa (IDDA). In the process of preparing this report, assistance has been given to the ECOWAS Secretariat in reviewing the existing programmes and projects and the mechanism for their implementation.

1.2 Historical Background:

Most ECOWAS Countries gained their independence in the nineteen-sixties. That political event proved to be the strongest driving force for the development process in the entire subregion. The post independence era marked a general shift of emphasis from agriculture to industry as the main vehicle of achieving national development aspirations. The industrialization process in the individual countries has included diverse economic activities such as agro-related projects, manufacturing, mining, construction, development of infrastructures and institutions, etc.

1.2.1 Based primarily on import-substitution strategies, almost all the factor inputs, particularly machinery, equipment and spare parts, know-how, raw materials and, to some extent, skilled manpower, have had to be imported over the years, but little or no technology transfer has actually taken place. In conformity with these industrialisation strategies and

because of the relatively small-size of the national markets, all the countries have tended to protect their young industries with a number of fiscal measures. These include, among others, tariff walls to discourage imports from neighbouring countries, restrictions on the movement of capital and skilled manpower and inflexible tax laws. In a number of cases, there have also been direct state intervention.

1.2.2 One serious effect of all these policies and measures has been to either prevent any, or ensure only, a low-level of intra-regional trade and industrial co-operation. Also, a number of duplicated projects have emerged. At the national level, due to low incomes and population sizes, the individual country's markets have continued to remain too small to sustain the initially expected rate of growth and expansion of these projects. As a result, the industrial sector's role in the subregion are still characterised by light industries with emphasis on consumer goods with little or no value added, heavy dependence on imported capital and know-how, and relatively small production capacities. So small are the sizes of most industries that they derive little or nothing from the economies of scale and cannot therefore compete effectively with foreign products even in their own markets.

1.2.3 A more adverse effect has been the relocation of labour from the traditionally agricultural areas to the urban centres where the industries are mainly located. All these have imposed additional burdens on the economies of Member Countries in terms of new infrastructure and training facilities. In more recent years, balance of payments problems and the ensuing scarcity of foreign exchange to pay for imported industrial in-put, the universal economic depression, the ever increasing cost of fuel, drought and desertification especially in the Sahelian and land-locked States, have all contributed to the market deterioration in the industrial sector of most of the Member Countries.

1.2.4 Although certain Countries have achieved marginal successes in industrial output over the last decade-and-a-half, (Ivory Coast, Ghana, Nigeria, Senegal, for example), in more recent years a number of these countries have actually witnessed a decline in industrial output. Ten of the sixteen Member Countries* in the sub-region are still on the United Nations official list as among the twenty-six least developed countries on the continent. The rate of growth of per capita income of a number of these countries has, in fact, been negative in the last decade.

1.3 Subregional Co-operation:

1.3.1 The ECOWAS Treaty:

It is, in part, a recognition of this problem and, in part, an effort to reverse the trend that the ECOWAS Treaty of Lagos was signed in 1975. The Treaty attempts, among other things, to make the industrial sector more effective in the development efforts of the subregion by setting out the modalities on which co-operation efforts at the community level would be based in order to overcome at least some of the problems experienced at the national level. The Treaty identifies three stages of subregional industrial co-operation as follows:

Stage I: Exchange of Information on Major Industrial Projects.

Stage II: Harmonization of Industrial Incentives and Industrial Development Plans.

Stage III: Personnel Exchange, Training and Joint Ventures.

---

* The world total is 36. The 10 countries are: Benin, Burkina Faso, Cape Verde, The Gambia, Guinea, Guinea Bissau, Mali, Niger, Sierra Leone and Togo.

1.3.2 All the 16 Member Countries were expected, at least in principle, to provide, on request, each other with feasibility and other reports on industrial projects and to initiate joint-studies and projects, which would essentially be resource-based. This implied, of course, free movement of goods and services. This line of thinking is very much in tune with the efforts of UN agencies such as UNIDO, and also the aims of the Lima Declaration and Plan of Action on Industrial co-operation among the developing countries of the world as well as the programme for the Industrial Development Decade for Africa. It is also in consonance with the objectives of the Lome Convention (1975) to which all ECOWAS countries are signatories. Over the past decade, several efforts have been made at enhancing the role of multinational industries within the subregion through bilateral and multilateral arrangements, although such industrial groups that have emerged have also continued to remain limited in scope and activity. A few have, indeed, curtailed their levels of operations mainly because of inadequate commitment and care.*

1.3.3 In addition to ECOWAS, the subregion also has more than forty different subregional organizations (often referred to as Intergovernmental Organization - IGOs*-) as shown in Table I. Membership of ECOWAS Countries in the IGOs in the Subregion is ranked as follows:

Niger	-	25	IGOS
Burkina-Faso	-	22	"
Senegal	-	20	"
Ivory Coast	-	19	"
Benin	-	18	"
Mali	-	17	"
Togo	-	17	"
Mauritania	-	12	"
Gambia	-	10	"
Nigeria	-	10	"
Guinea	-	7	"
Sierra Leone	-	6	"
Ghana	-	5	"
Liberia	-	5	"
Guinea Bissau	-	3	"
Cape Verde	-	2	"

Source: ECA proposals for strengthening economic integration in West Africa.

* Please refer to para. 2.2.5 for a list of some of the major bilateral and multilateral industrial projects within the sub-region.

The above list is by no means exhaustive, but are indicative of the strong desire and will for bilateral and multilateral co-operation that exists in the subregion. However, there are a number of major Economic Communities that deserve to be mentioned. These include:

(a) West African Economic Community (CEAO); established in 1974 to promote integrated economic development among the six member countries has attained significant achievements in promoting intra-regional trade and the establishment of certain subregional industrial projects.* The headquarters of the Community is based in Ougadougou and its programmes and activities are supported by a special Fund of the Community by name FOSIDEC (the Solidarity Fund for Community Development).

(b) Mano River Union (MRU), with only three member nations has its headquarters in Freetown, Sierra Leone. One of the major objectives of the Union is the industrial development of the Member states. The Union was established in 1973 with Sierra Leone and Liberia as members. The Republic of Guinea joined the union in October, 1985.

(c) Liptako-Gourma Authority was established in 1983 for the economic development of certain areas of the three member states (Mali, Burkina Faso and Niger).

1.3.4 In spite of the proliferation of IGOs, they have not, from the available evidence, as yet succeeded in being catalysts to the subregion's development process that they were meant to be. One obvious reason is the degree of duplication and overlapping activities and functions of the IGOs. Given the need for strong sectoral linkages and complementarities for any successful industrial venture, part of the reason also is the complexity of co-ordinating and implementing ideas and decisions particularly in the prevailing situation where most

---

* Please see (1) Appendix 3 for statistics on recent trend in intra-regional trade amongst CEAO countries; namely, Burkina Faso, Cote d'Ivone, Mali, Mauritania, Niger and Senegal.
(2) Report on mission to Ougadougou Burkina Faso.

Table 1.1

ECOWAS COUNTRIES INVOLVEMENT IN SELECTED INTER-GOVERNMENT ORGANIZATIONS

IGO	COUNTRY																
	BENIN	BURKINA FASO	CAPE VERDE	GAMBIA	GHANA	GUINEA	GUINEA BISSAU	IVORY COAST	LIBERIA	MALI	MAURI-TANIA	NIGER	NIGERIA	SENEGAL	SIERRA LEONE	TOGO	TOTAL
1. ECOWAS	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	16
2. AGC	-	x	-	x	-	-	-	-	-	x	-	x	x	x	-	-	6
3. CAMES	x	x	-	-	-	-	-	x	-	x	-	x	-	x	-	-	7
4. OCAM	x	x	-	-	-	-	-	x	-	x	-	x	-	x	-	-	7
5. SAHELTL	-	x	-	-	-	-	-	-	-	x	x	x	-	-	-	-	4
6. AFRICAN SOL. FUND	x	x	-	-	-	-	-	x	-	x	-	x	-	x	-	-	6
7. ASECNA	x	x	-	-	-	-	-	x	-	x	x	x	-	x	-	-	7
8. LIPTAKO-GOURMA AUTH	-	x	-	-	-	-	-	-	-	x	-	-	-	-	-	-	2
9. BCEAO	x	x	-	-	-	-	-	x	-	-	-	x	-	x	-	-	6
10. CEPV	x	x	-	-	-	-	-	x	-	-	-	x	-	-	-	-	5
11. MARA	x	x	-	x	-	x	x	x	x	x	x	x	x	x	-	-	11
12. CEAO	-	x	-	-	-	-	-	x	-	x	x	x	-	x	-	-	6
13. OERS	-	-	-	-	-	-	-	-	-	x	x	x	-	x	-	-	4
14. BOAD	x	x	-	-	-	-	-	x	-	-	-	x	-	x	-	-	5
15. WAHC	-	-	-	x	x	x	-	-	x	-	-	-	x	-	-	-	5
16. MRU	-	-	-	-	-	x	-	-	x	-	-	-	-	-	-	-	3
17. UMOA	x	x	-	-	-	-	-	x	-	-	-	x	-	x	-	-	5
18. WEST AF. CLEARING HOUSE	x	x	-	x	x	x	x	x	x	x	x	x	x	x	x	x	15
19. OMVG	-	-	-	x	-	x	-	-	-	-	-	-	-	x	-	-	3
20. OCCGE	x	x	-	-	-	-	-	x	-	x	x	x	-	x	-	-	6
21. NIGER BASIN AUTH.	x	x	-	-	-	x	-	x	-	x	-	-	x	-	-	-	6
22. CIEH	x	x	-	-	-	-	-	x	-	x	x	-	-	x	-	-	6
23. CPA	-	-	-	-	x	-	-	x	-	-	-	-	x	-	-	-	4
24. OICMA	-	x	-	x	x	-	-	x	-	x	x	x	x	x	x	x	11
25. CILSS	-	x	x	x	-	-	-	-	-	x	x	x	-	x	-	-	8
26. LAKE CHAD COMM.	-	-	-	-	-	-	-	-	-	-	-	x	x	-	-	-	3
27. OCLALAV	x	x	-	x	-	-	-	x	-	x	x	x	-	x	-	-	8

SOURCE: ECA REPORTS

of the IGOs are poorly funded and staffed and, in general, ill-equipped. Moreover, the frequent changes in governments and personnel are some of the deterring factors to continuity of policy and commitment to the ideals of IGOs.

1.3.5 It is in problem areas such as these that the subregion's political leadership must be seen to be playing a prominent role. In this respect Article 5 of ECOWAS Treaty imposes the greatest responsibility on the Heads of State and Government of the subregion .

1.3.6 The ECOWAS Secretariat, which is now well functioning, has already identified certain industrial sectors, including those requiring co-operation with other IGOs, for emphasis. It has also contacted bilateral and multilateral bodies such as UNIDO and the E.E.C. for technical and financial support in the promotion of these sectors. In November, 1979, the ECOWAS Council of Ministers, the second highest decision-making organ, meeting in Dakar reached a consensus on priority subsectors for industrial co-operation at the subregional level. These subsectors have been incorporated in subsequent discussions on promotion of subregional industrialization. They include Building and Construction, Agro-related industries, Wood, Iron and Petro-chemicals. The Council recognised that these industries, if promoted in the most appropriate manner, would provide the necessary linkage and complimentary effects. This action was followed by the ECOWAS Summit decision of 1983 on the Adoption and Implementation of a single Trade Liberalisation Scheme for Industrial Products originating from Member States. In 1984, a draft Protocol relating to the promotion of "COMMUNITY ENTERPRISES*" was also signed by Member Countries.

1.3.7 All the foregoing suggest that the will for increased industrial co-operation exists. However, in a Community of States such as ECOWAS, there is the need to foster, in more

---

* "Community Enterprises" is now the terminology for ECOWAS subregional enterprises and projects as defined in the Protocol.

practical terms than has been achieved so far, economic development through a greater sense of interdependence than is normal in other forms of international co-operation. There is also evidence to show that the lack of progress is due more to such things as inadequate political will and vehicles for implementing decisions. These include poor industrial infrastructure and auxilliary institutions, as well as the lack of practical commitment and a properly co-ordinated approach at overcoming at least some of the existing structural and policy problems created with post-independence industrialization efforts at the national level.

1.3.8 It is important that the renewed efforts that are being made to raise the level of industrialization in the subregion through community-level actions should take these factors into consideration.

1.4 The Industrial Development Decade for Africa (IDDA)

1.4.1 In recognition of the existing unfavourable industrial situation as is reflected in varying degrees on the continent as a whole, the Heads of State and Government, through the Lagos Plan of Action, affirmed its support for efforts by UNIDO and other international agencies to focus greater world attention and concern on the industrial problems of Africa. The United Nations General Assembly joined the other Heads of States and Government in proclaiming the 1980's as the Industrial Development Decade for Africa. The proclamation emphasises the importance of industrial development as a means of attaining rapid economic growth, overall development and better standard of living in Africa. The programme, in essence, presumes that the necessary initiative and stimuli must emanate, first and foremost, from within each country of the region so as to form a solid base on which a self-reliant and self-sustaining economic growth through an integrated development strategy can be fostered. The complexity of the challenge of such a programme demands determination especially at the national level as success of the programme depends more than anything

else on the countries themselves. Success also depends on an integrated industrial development strategy that is linked to other sectors of the economy, and in tune with national development plans and aspirations. Implementation of the Programme presumes a greater and effective mobilisation of the resources of the countries concerned, close co-operation, especially in matters relating to trade, transportation, technology and skills, at the subregional and regional levels, and substantial assistance from outside the region, on a bilateral or multilateral basis.

1.4.2 At the National Level, the countries need to be concerned with the careful identification of core industrial and support projects as defined under the IDDA, and pay attention to the development of physical infrastructure, institutional mechanisms, skills, and technology, raw materials as well as other local inputs. A detailed assessment of the financial requirements and the establishment of sectoral linkages are among the primary responsibilities of the countries concerned.

1.4.3 At the Subregional Level, it is essential to work out a formidable programme of industrial complementarity of core projects based on resource endowment factors and, joint and/or cross participation in order to optimise limited investment resources and enlarge the markets. To attain this objective, it is essential to identify potential core industrial projects of interest to the countries leading possibly to the establishment of Multinational Industrial Enterprises between two or more countries. The establishment of an Information System should facilitate intra-African co-operation especially in the fields of training, energy, trade harmonization and the elimination of trade barriers. Above all, relevant existing subregional institutions need to be strengthened in order to foster the industrial co-operation at the subregional level and to enhance the implementation of industrial activities of the national institutions.

1.4.4 I.D.D.A. Subsectoral Priorities: The major priority Sub-Sectors identified under the IDDA programme are as follows:

(1) Agro Industry:

This sub-sector requires priority in allocation of resources in order to meet basic needs of the people and be more self-reliant especially by limiting their import contents and providing adequately locally available inputs. The programme calls for more processing of agro-outputs and the production and use of fertilizers, pesticides and agricultural machinery in order to enhance production and research into better ways of storage and preservation.

(2) Building and Construction Industry:

Basic needs like shelter and the development of the infrastructure have strong linkages with other subsectors of the economy. The programme therefore calls for the intensification of the production of certain strategic materials like cement and the need for research into the use of more local inputs for the industry.

(3) Metallurgical Industry:

The subregion is blessed with a large number of valuable metallic and other minerals which are not fully exploited. At best, the few minerals exploited are being exported with little or no processing. This subsector can become a major foreign exchange earner and save the sub-region considerable amount of money that is being spent on processed metallic products that are imported back to the various countries. It can also become the foundation on which to build a wide-range of industries covering various sectors and producing goods for local consumption and export. It is not surprising therefore that the IDDA programme places high priority on the development of this subsector and especially the development of Iron and Steel and Copper and Aluminium industries. Great importance

is also placed on the need for co-operation and joint-venture for purposes of exploitation and development in view of the high cost of technology involved and the need to ensure a suitable market for its products.

(4) Chemical Industry:

The IDDA stresses the need to develop production facilities for certain priority chemicals like Fertilizers and Pesticides, which are essential for higher production in agriculture, and other chemicals and pharmaceuticals, especially those which can be extracted from local resources and essences from plants. Here again, the need for co-operation and the formation of multinational Corporation is emphasised as a means of mobilising resources on subregional basis.

(5) Engineering Industry:

The development of the Engineering Industry is seen to be essential as it is a means of enhancing technology development and providing the required machinery, equipment, spare parts and components to all economic and social activities.

1.4.5 The identification and selection of core projects under these priority sectors are based on the principle of attaining self-reliance and self-sustained industrialization. The projects selected must therefore meet basic domestic needs, act as stimuli to other sectors of the economy and enhance the development of the requisite indigenous capabilities. In short, these projects must ensure full and effective utilization of local natural resources and have strong linkages with established industries, create employment and diffuse technological know-how. The linkage and complementarity factor need to be projected at the national as well

as the subregional levels. In the long run, it is expected that this policy will not only enhance industrialization, but also accelerate the local production of inputs for other sectors and the gradual development of capital goods industries in the subregion.

1.4.6 It is envisaged that by the end of the decade industrial integration efforts at the subregional and regional levels will help achieve a minimum target of 1.4% of global industrial output, from the current level 1%. The programmes implementation is in phases as follows:

Phase I (1982-1984) - during this preparatory phase, priority projects that can be developed within the short-term at both national and subregional levels should be identified from the recommended list and implemented.

Phase II (1985-1990) - during which medium to longterm projects requiring co-operation and co-ordination at the subregional and/or regional levels should be selected and implemented.

1.5 The Initial Integrated Industrial Promotion Programme for West Africa

1.5.1 An expert group meeting on the promotion of industrial co-operation in West Africa within the framework of the IDDA programme was held in Abidjan, the Ivory Coast, from December 12 to 16, 1983. The meeting was jointly organised by UNIDO in co-operation with the O.A.U, E.C.A, ECOWAS and the Government of the host country. The meeting adopted an Initial Integrated Industrial Promotion Programme consisting of priority industrial projects for increased co-operation at the subregional level. The meeting also considered the modalities of implementing the selected projects. In addition to the Representatives of the 16 Member States of ECOWAS, the following agencies/organisations, among others, were represented at the meeting: ADB, BOAD, CEAO, WADE, ECOWAS, IDEP, MRU, OMVS, OCAM, ARCT, IDEP, the Nigeria-Niger Joint Commission for Co-operation, the African Centre for Engineering Design and Manufacturing (ARCEDEM), LIPTAKO-GOURMA and others.

1.5.2 The meeting, in selecting the projects to be included in the subregional programme, accorded priority to projects that contributed, either directly or indirectly, to the subregion's self-sufficiency in food production, as well as to those with up-stream and down-stream linkages. In this respect, a strategy for the subregion based on a focus on agro-based and agro-related industrial projects that have already been developed by the IGOs was emphasised in order to ensure greater political support. This strategy implied equal priority for such complimentary subsectors as the engineering and chemical industries on which agro-based projects would rely for inputs.

1.5.3 IDDA core industry concept was also examined into some detail and incorporated into the basic strategy. Consideration was also given to factors such as availability of markets, raw materials, training facilities, equity participation and management cadres-all at the community level. Following from the foregoing considerations, it was decided to evaluate the recommended projects on a composite basis within the context of the changing priorities and requirements of the subregion and also in conformity with the IDDA programme of action.

1.5.4 It is pertinent at this juncture to restate some of the clearly stressed modalities mentioned at the meeting which (later on in Chapter 3) serve partly as criteria for assessing efforts put into the implementation of the programme and its achievements. These include:

(1) The need to identify clearly priority subsectors or branches;

(2) The need for detailed pre-investment studies and investment promotion activities to enable the mobilization of requisite financial investment for the implementation of the projects. In this regard the role of financial institutions in the financing and/or mobilisation of such resources was emphasised.

(3) Given the limited amount of available resources, the selection process and the establishment of priorities constitute a sine qua non;

(4) The need to accord priority to projects that are developed by IGOS in view of their greater political support;

(5) The need for an agreed integrated, realistic and well articulated programme to be matched with concrete proposals for implementation;

(6) The need for governments to incorporate relevant aspects of the programme in their National Development Plans and establish national Co-ordinating committees as well as operational focal points to be provided with adequate staff and funds;

(7) the adoption of short and long-term approach to the preperation and implementation of the programme;

(8) the importance of translating political will of Member Countries into tangible action;

(9) The need for countries selected to host projects to play an effective leadership role;

(10) The need for intensified consultations between countries, IGOs and other relevant subregional institutions leading to actual negotiation on each project.

(11) The involvement of the private sector;

(12) The need to establish a subregional machinery (subregional committee) to monitor and evaluate the implementation of the programme and projects at every stage; and

(13) The crucial co-ordinating role of the IGOs and, in particular, the Association of IGOs and ECOWAS.

1.5.5 Outcome of the 1983 Meeting:

Accordingly, the report on the meeting and the Initial Integrated Industrial Promotion Programme were tabled before the Seventh Meeting of the Industry, Agriculture and Natural Resources Commission of ECOWAS which met in Lome from 9-13 November, 1984 (almost one year after the Abidjan Meeting) and considered in detail by the Industry Subcommission prior to its eventual submission to the Council of Ministers for approval at their next meeting scheduled to take place in April, 1985. Regretably,

it is understood that, for one reason or the other, the Ministers of Planning and Industry never met to approve the programme.

1.6 Scope and Contents of the Report

Having presented the objective and background information on industrial co-operation in the subregion in this introductory chapter, the next chapter (ch.2) goes on to assess the resources and industrial structure of most Member Countries of ECOWAS. It also identifies potential areas of co-operation and examines existing economic and industrial strategies and policies at the national and subregional levels as well as the institutional arrangements for implementation and co-ordination. Before presenting a revised programme and strategy for action in Chapter 4, the status of the initial programme of industrial co-operation is reviewed using the yardsticks listed in paragraph 1.5.4. above, the IDDA guidelines and the Lagos Plan of Action (ch.3). Finally a strategy for the implementation of the proposed revised Programme is stated in the last Chapter (Ch. 5).

CHAPTER 2

2. AN ASSESSMENT OF OBSTACLES AND POTENTIALITIES FOR SUBREGIONAL INDUSTRIAL CO-OPERATION

2.1 Summary of resource and industrial structure

2.1.1 Certain countries of the West African Subregion together constitute not only homogeneous geographical entity with virtually the same climate; they also share many common historical, cultural and demographic experiences. The Subregion can be divided into two broad geographical groups: the sahelian land locked countries and the coastal tropical countries. The problems, vegetation and other characteristics of each group as well as the range of varying incidents of endowment factors in the Subregion enhance the degree of complimentarity possible and the urge for interdependence. The Subregion's population was about 152.2 million in 1982 and is expected to reach 268 million by the end of the century. This represents about 32% of the continent's population, thus making it the largest of the four subregions in Africa. Such a large population constitutes a formidable market by any standard in the world not withstanding the relatively low purchasing power.

2.1.2 The dominant feature of the economies of all the Member countries is agriculture with a highly subsistence profile. The Sector employs some 80% of the subregion's total labour force. There is some amount of production for export of such crops as cocoa, coffee, groundnuts, as well as timber products. Apart from these crops, some countries in the subregion also depend heavily on the exportation of unprocessed minerals such as iron-ore, bauxite, oil, diamonds, gold, uranium, manganese etc., as the major sources of foreign exchange earnings. Table 2.1 shows the major mineral resources of each country, the low level of exploitation and their potential uses for industrialization. Thus, the subregion's economy is almost entirely dependent on the production and export of primary goods to the developed countries for

TABLE 2.1

MINERAL RESOURCES OF THE 16 ECOWAS COUNTRIES

X - Exploited

O - Unexploited

COUNTRIES

Mineral Resources	Benin	Burkina Faso	Cape Verde	Gambia	Ghana	Guinea	Guinea-Bissau	Ivory Coast	Liberia	Mali	Mauritania	Niger	Nigeria	Senegal	Sierra Leone	Togo
Antimony		O														
1. Bauxite		O			X	X	O			O					X	
2. Clay	O	O					O						X		O	X
3. Coal													X			
4. Columbite													X			
5. Copper		O														
6. Dolomite							O									
7. Diamond					X	X		X	X						X	
8. Feldspar	O															
9. Gold		O			X	O			O	O					X	
10. Gypsum											O					
11. Iron Ore		O				X		O	X	O	X		X	O	X	O
12. Lead		O														
13. Lignite															O	
14. Limestone		O				O							X			X
15. Manganese		O			X			X		O						
16. Marble	O	O											X			X
17. Molybdenum															O	
18. Nickel																
19. Petroleum and Natural Gas							O	O					X			
20. Phosphate	O	O								O	O	O		X		X
21. Platinum															O	
22. Rutile						O									X	
23. Salt			O									O		X		
24. Soda Ash						O										
25. Tin Ore													X			
26. Uranium												X				
27. Vanadium		O														
28. Ilmenite									O							
29. Kaoline	O								O							
30. Zinc		O														
34. Quartz									O							

N.B. This list, by no means, contains all the numerous deposits of the subregions

foreign exchange revenues. In spite of its pre-dominant role, overall agricultural productivity itself has been relatively low from year to year primarily because of its largely subsistence character. It has thus failed to provide the necessary drive for the development expectations of the Member countries* especially in circumstances where the rate of population growth is one of the highest in the World.

2.1.3 On gaining independence within the last two-and-half decades or so, most of the countries in the subregion quickly adopted industrialization through import-substitution strategies as the most rapid alternative means of achieving their development goals. The policy is based on the experience of the developed countries that a high correlation exists between industrialization and economic development. The thrust of post-independence development programmes was therefore on the transformation, often at rates expected to be drametic, of the economies from being predominantly agricultural to those in which industry would play a major role in economic activity. In this role, industrialization is seen not only as a way of expanding the economic base of the individual countries, but also as a way of bringing about basic structural changes and and attaining a higher standard of living in the communities of the subregion.

2.1.4 However, the inherent characteristics of these import-substitution strategies meant an internal or domestic market orientation and a heavy dependence on imported semi-processed raw materials. In countries like Ghana and Guinea, balance of payments problems meant shortage of foreign exchange for the importation of the required industrial inputs. Countries like Sierra Leone, Gambia and Liberia are no longer able to expand as a result of insufficient demand growth while

---

* In recent years, the Ivory Coast has reported some singular successes in agricultural production.

landlocked countries have the additional problem of increasingly high costs of importing the necessary inputs. All these factors have led to the gross under-utilization of existing manufacturing capacity. Thus, operationally, the industries have not, to say the least, been structurally linked with locally obtainable resources especially the primary agricultural inputs. With dwindling foreign exchange earnings and little growth in the market size because of low incomes and purchasing power, most of the industries soon began to flounder. Consequently, member countries quickly adopted a number of protective policy measures including tariffs, restrictions on the flow of information and capital.

2.1.5 In spite of these measures, the contribution of the industrial sector at both the national and subregional levels has continued to remain low, or almost insignificant. Over the last decade, the industrial sector's contribution to the GDP in the subregion averages only about 7%. The manufacturing sector's share was much lower. As Table 2.2 shows, it averaged only about 6.5% which compares unfavourably with the figures for the whole continent as well as all least developed countries (8.2%). Indeed, the latest figure for 1984 indicates a decline from 1983 of about 9% to only 5.9% contribution to GDP, whilst there was no growth at all recorded between 1980 and 1983.

TABLE 2.2

SELECTED MANUFACTURING SECTOR

CONTRIBUTION TO GDP

		% GDP			
	Number of Countries	1970	1980	1983	1984
Developing Africa	-	6.4	8.2	9.0	8.9
North Africa	6	5.6	8.9	10.1	10.1
West Africa	16	5.1	6.5	6.5	5.9
Central Africa	11	5.4	6.2	7.7	7.9
East and South Africa	17	11.6	13.5	12.7	12.3
Oil exporting countries	9	4.2	6.4	7.7	7.7
Least Developed Countries	26	6.8	8.2	7.6	7.4

SOURCE: ECA - Survey of Economic and Social Conditions in Africa 1983/84.

2.1.7 The industrial structure of the sub-region is characterised by small, light consumer goods manufacturing firms whose locations are mainly in or near the major urban centres. There is little or no evidence of export of manufactured products. Most of these industries (50% plus) engage in food, tobacco, beer and textile production, but because they depend heavily on imported machinery, parts, materials and semi-processed in-puts, they provide little or no linkage effects and value added. Also, their internally oriented characteristics have tended to restrict their activities and to deny them growth opportunities through economies of scale.

2.1.8 In more recent years the global economic recession and prolonged drought have provided new dimensions to the problems of the industrial sector in the sub-region. As Table 2.2 shows, the annual growth rate of the manufacturing sector fell from -4.0% in 1980/83 to -10% in 1984, representing more than 100% rate of decline. Compared with the figure for the whole continent (-1.0%) and that for all least developing countries (-3.3%) the picture for the West Africa sub-region is clearly disquieting, particularly as the preparatory phase of the IDDA programme ended with 1984.

TABLE 2.3

ANNUAL GROWTH OF THE MANUFACTURING SECTOR IN DEVELOPING AFRICA - 1980 - 84

	Average (1980-84)	1983	1984
Africa	1.5%	1.6%	-1.0%
North Africa	4.5%	5.0%	5.2%
West Africa	-4.5%	-4.0%	-10.7%
Central Africa	7.0%	8.4%	-2.6%
East and South Africa	-1.2%	-0.3%	-2.7%
Oil exporting countries	3.6%	3.7%	-0.5%
Least developed countries	-1.7%	-1.2%	-3.3%

SOURCE: ECA - Survey of Economic and Social Conditions in Africa 1983/84

2.1.9 In this poor industrial scenario, individual Member countries have shown varying levels of performance, with industrial capacity falling to as low as 20-30% (Ghana) or 50% (Nigeria) in 1983. By most indicators of social and economic progress therefore, achievements recorded by the sub-region as a whole during the last decade and a half were some of the worst in the developing world. (please see Annex I: Selected Country Reports for details of the resources and industrial structure of each Member State).

2.2 Areas of Existing and Potential Co-operation

2.2.1 The subregion is noted for innumerable bilateral multi-lateral Accords and Agreements, at the highest possible level, for co-operation in matters ranging from culture and defence to industrialization and commerce. So many are the Accords that they are hard to keep track of. The industrial scenario

described above is compelling enough and the proliferation of the IGOs confirm the nations' appreciation for co-operation. Even the developed countries have often demonstrated that, in spite of their wealth and power, no country can stand alone. In the subregion, the problem is not so much the identification of potential areas for co-operation but how to get the existing areas of co-operation to function properly. Consideration of new potential areas may, in fact, further complicate and worsen the situation. After all, subregional industrial co-operation under the aegis of ECOWAS is yet to take off. Therefore, it is worthwhile also to spend more time, at this stage, identifying existing areas requiring closer co-operation.

2.2.2 Articles 29 to 31 of the ECOWAS Treaty has indicated the following, among others, as areas for subregional industrial co-operation:

- the free exchange of research and project feasibility reports, including information on foreign and technical partners;
- joint identification, promotion and financing of industrial projects;
- pooling of resources, harmonization of industrial policies and exchange of industrial plans to avoid duplication and wastes;
- exchange of skilled personnel and the promotion, where necessary, of joint training facilities.

The Treaty also touched on co-operation in the establishment of trade, monetary and other forms of service infrastructure to support community-level industrial enterprises including the primary good sectors, particularly agriculture and transport services.

2.2.3 The advantage that can be derived from increased industrial co-operation in the foregoing areas include - among other things, the benefits of specialisation, complementarity and economies of scale derived from large-scale production, freer and better use of community resources and industrial outputs, as well as

access to larger markets. In order to make the sub-region's industrial co-operative efforts more functionally and practically relevant to its priorities, the ECOWAS Council of Ministers, has identified the following sub-sectors for emphasis:*

(a) Building and Construction;

(b) Agricultural implements;

(c) Chemicals;

(d) Food;

(e) Wood processing;

(f) Iron and Steel;

(g) Telecommunications;

(h) Electronics;

(i) Automobile;

(j) Pharmaceutical and related industries.

2.2.4 It is at the level of the Inter-Governmental Organizations that some effort has been made to co-operate in the areas mentioned in Articles 29 - 31 of the ECOWAS Treaty. The Mano River Union, CEAO, LIPTAKO-GOURMA, Senegambia Permanent Secretariat and other IGOs interested in the development of the industrial sector have all been involved in joint identification, promotion and financing of industrial projects, training, and harmonization of industrial policies. But there has so far been little evidence of a free exchange of skilled personnel, research findings and information on foreign and technical partners. These are all areas in which ECOWAS can play a leading role on a wider geographical scale with the establishment of a data bank. Very little industrial research takes place in the sub-region, the scope for exchange of research findings is therefore limited but the possibilities for joint co-operation in this field is almost boundless.

---

* ECOWAS Council of Ministers meeting in Dakar, 26-28 Nov, 1979. See Document ECW/CM VI/RES.26 (The basis for according priority to some of these sub-sectors are not stated.

2.2.5 Interestingly, one has to look beyond ECOWAS and the IGOs in order to find typical examples of long standing industrial projects emanating from bilateral or even multilateral co-operation of certain West African nations. Over the past decade, efforts have been made at establishing and fostering the role of multinational industries within the subregion. Some of these projects* are:

(a) Savè Sugar Project, Benin. This is an integrated sugar project launched by Benin and Nigeria in 1979 at a total investment cost of about $180 million. Total capacity is 48,000 tons p.a. The technical partners have 5% of the shares while Benin and Nigeria own 49% and 46% respectively.

(b) Onigbolo Cement project, Benin. This is also a joint venture project between the Benin and Nigeria at a total investment cost of over $400 million.

(c) CIMAO, a joint cement project based in Togo and established by Ghana, Togo and Ivory Coast mainly for the production of clinker.

(d) I.C.S. a fertilizer plant in Senegal has been financed jointly by Senegal, Ivory Coast, Nigeria, the Cameroon, India and certain French investors.

(e) An Oil Refinery project in Lomè, jointly owned by Nigeria and Togo.

(f) An Iron Ore mining project in Guinea jointly financed by Nigeria and Guinea.

This list is by no means exhaustive; however, it is an indication of how much more can be achieved in this direction by the implementation of an ECOWAS Industrial Programme.

---

* The Summary Mission Report examines some of these projects in detail.

CIMAO

2.2.5.1 Of these 6 multinational industrial projects, perhaps CIMAO has gone through the most dramatic experience. A closer look at the company especially the events which led to the complete suspension of operations in 1984 may therefore provide some lessons for the future. The objectives of the company are to supply the clinker requirements of the three states at reasonable prices and to serve as a model of subregional cooperation that can be emulated in other sectors.

2.2.5.2 The share capital structure is such that 92% of the shares are owned equally by the three State partners and only 7% are shared by three operating clinker grinding companies in Ghana and Ivory Coast. The companies are NORCEM of Norway, Origny-Desvroisse and Ciments Lafarge both of France. These companies are technologically well known as leading manufacturers in the world. Origny-Desvroisse was selected as technical advisers to the project.

2.2.5.3 The project was first proposed in 1968 and necessary feasibility studies commenced promptly the same year. However, it took another 7 years to find the money and another 5 years to build the project which eventually became operational in 1980. The total investment cost was US $303 million with an annual clinker capacity of 1.2 million tons. Unfortunately, the commissioning of the plant coincided with the world recession.

2.2.5.4 The delay in implementation with over 13% of investment cost overrun disrupted the financial plan, delayed the generation of revenue and reduced working capital drastically. The debt to equity ratio of 64:36 was bad enough. With prudence and good planning, the total investment cost could have been halved. Under the circumstances, production cost was inflated right from the inception of the project. The equity participation of the three international firms is small notwithstanding the fact that each of them has the competence and funds to run the entire project, and that they play an important role as the end users of clinker and distributors of cement. They did not appear to be committed to the success of CIMAO. The project was therefore subject to fundamental conflict of interests. This in turn was responsible for delays in making quick and sound decisions.

Origny-Desvroisse, in their dual capacity as technical advisor and user of the products, influenced the Board's decision in favour of the clinker grinding companies.

2.2.5.5 There are also marketing and other technical problems. The one-third allocation of products for each member states was not in the interest of member states (particularly the smallest state - Togo) who could obtain much cheaper cement by importing. As a result of fiscal constraints and various management weaknesses, only 55% of the plant capacity was attained. This had the effect of increasing further the unit production cost. There was also an error in the choice of fuel oil firing system which would have saved the plant as much as $5 per ton of clinker if a coal firing system had been adopted. In 1984, the tales of woe culminated in the drastic reduction of electricity from Ghana following the drought. It turned out that the studies made no provision for alternative sources of energy. By and large, the objectives of the plant as stated in 2.2.5.1 were far from achieved.

2.2.5.6 Perhaps the most significant lesson that can be drawn from the experience of CIMAO for future multinational subregional enterprises is the importance of sound preparatory studies and work to ensure that

(a) there are no conflict of interests especially amongst the participants and management;

(b) all the resources (financial, management and machinery) are assured and well planned out;

(c) implementation are effected according to plan. Priority therefore needs to be accorded to Support projects including studies in the Revised Subregional Programme.

Second, commitment by all concerned to the successful implementation of an enterprise of this nature entrenched in a system of accountability is another important lesson. Public enterprises already have a poor track record as compared to private enterprises on this issue. There is the danger of regarding joint ventures established by governments as super public enterprises with the characteristic tendency towards incurring over inflated investment costs, overprotection and monopolies which make their products uncompetitive, unwieldy bureaucratic system and an unbusinesslike attitude to work.

2.2.6 Judging by the relatively poor performance of inter-governmental industrial projects and public enterprises in general, one tends to look up to the private sector for success. Industrialization cannot depend on the public sector alone; the private sector has to compliment governmental efforts. The establishment of the Association of West African Chambers of Commerce and Industries has widened the scope for future co-operation especially in so far as it concerns exchange of ideas, trade in local in-puts and the effective expansion of markets for industrial products in the sub-region. Here again, the promotional role of ECOWAS vis-ā-vis the Association and other private sector bodies cannot be over estimated. This is a crucial area of potential co-operation which must be given its due priority. So far, the impact of the private sector has been minimized by the various governmental restrictions like closure of borders, absence of a common currency, existing tarrifs and various controls on mobility of workers. However, it is encouraging to note the emergence of an almost unanimous support for the sector to play an increasing role in national and subregional development. Even countries like Mali and Burkina Faso are beginning to relax various restrictions and provide some incentives * to private business men and companies.

2.2.7 Apart from official intergovernmental barriers, there is utter ignorance, especially in the private sector, of the existing economic opportunities and possibilities for co-operation that exists in other countries of the subregion. Industrialists are invariably not aware of the immense resources, tapped and untapped, of other countries. The recent shortage of foreign exchange has begun to make industrialists to look within their own country for local in-puts and the development of substitutes. They need to go a step further by looking for, and participating in the development of such in-puts in their neighbouring countries. Three of four specific examples of such possible co-operation relate to the development of mineral resources

---

* Please see Mission reports on Mali and Burkina Faso and para. 2.5.4 on landmarks in industrialisation.

that are widely used as imported in-puts in the subregion and are either not exploited or exported in their raw form. They are:

(i) Rutile (in Sierra Leone) which, along with intermediate petroleum ingredients and others, is an essential in-put in the paint industry. There are not less than 18 paint factories in the subregion simply importing and mixing the inputs whereas all the basic ingredients (petrochemicals and rutile exist in the sub-region. Of all the in-puts, perhaps the most valuable is rutile. This is reflected in the drametic rise in its value and demand in recent years (as indicated in Annexe I - Selected Country Report (VI) on Sierra Leone. Sierra Leone's deposit is estimated at 90% of the world's reserve. There are no other deposits in the subregion. This is an obvious area where member countries can co-operate in its processing.

(ii) Soda Ash: Similarly, the only deposit of soda ash, which is an important in-put in the glass industry, is in Guinea. It is also used in the production of caustic soda, soap and, in the chemical industry, for various sodium bicarbonate products and by-products. The deposit is still to be exploited. At the moment, soda ash is exported from Kenya direct to Europe where it is rebagged and re-exported to west Africa. The possible linkage of this single mineral covers almost all the IDDA subsectors. For example, the production of (flat and hollow) glasses have several uses in the building and construction industry and as containers for agricultural, chemical and particularly pharmaceutical products. Caustic soda is used extensively in the chemical, pulp and paper industry etc.

(iii) Cooper: Burkina-Faso is the only country in the subregion with substantial high quality cooper that can be commercially exploited. The quality of cooper deposits in Mauritania is not as good. Cooper mining in Mauritania was abandoned in 1979 but action is now being taken to resume exploitation and development as a private sector project.*

---

* Please see mission report on Mauritania.

Co pper is so vital in the development of the infrastructural sector; telecommunications, energy distribution including the production of transformers. More importantly, the development of this metal will make the subregion completely self sufficient in respect of all the necessary in-puts in the metallurgucal subsector and provide immense opportunity for the production of a wide range of alloys.

(iv) Large Scale Fish Processing: It is sad to observe the indiscriminate exploitation of the west African coastal sea resources by foreign fishing and fish processing boats. From Freetown, not less than 15 such boats can be spotted at any point in time. It is understood that the same is true of Mauritania, Guinea-Bissau and other fish-rich coasts of the subregion. Perhaps, the illegality involved and the impotency of any one country to control the foreign exploiters call for co-operation. That is not just the point. The point is that, in a subregion where millions are starving and many more have inadequate protein diet, this is a field that should be fully exploited through co-operation. The mere presence of an active subregional and large scale fishing and fish processing project should minimise foreign exploitation.

2.2.8 These are only four examples randomly selected from each of the IDDA priority subsector, namely, building and construction subsector in respect of rutile and glass, agro-industry subsector in respect of large scale integrated fish processing, metallurgical subsector and its linkage with infrastructural subsector in respect of co pper and the chemical subsector in respect of soda ash. Many more areas of co-operation with significant linkages can be identified. However, as inferred in para 2.2.1., it is easier said than done. From a national point of view, each of the four examples is regarded simply as one of many resources still to be exploited and therefore a question of priority; from the subregional point of view, it is a crucial missing link in the attainment of self-sufficiency.

2.2.9 Finally, one major area requiring closer co-operation is that of the Clearing House for West Africa located in Freetown, Sierra Leone. It seems that industrialists, businessmen and governments are completely unaware of the immense savings in foreign exchange that can accrue from a fuller utilization of its facilities. Presently, it is grossly underutilized. Ideally, intra-trade and co-operation within the subregion can be accelerated with the establishment of a common West African currency (like CFA with UMOA countries) or the existence of easily convertible national currencies in each member country. In the absence of such currencies, the Clearing House can be made to facilitate intra-trade.

2.3 Existing Economic and Industrial Strategies and Policies

(a) At the National Level.

2.3.1 By and large, there has been the tendency for the current economic and industrial strategies and policies at the national level to be influenced, first and foremost, by some or all of the following problems that are of immediate concern to the governments and people of the nations:

(i) balance of payments problems which have created acute shortages of virtually all the necessary imported industrial in-puts;

(ii) inadequate markets and the inability of industrial products to effectively compete on external markets due to high cost and quality factors;

(iii) high cost of energy, particularly petroleum fuel;

(iv) a prolonged drought which has curtailed activities in the agricultural sector, destroyed the few local sources of in-put supplies in the process;

(v) in varying degrees, food shortages which in some countries meant threat of starvation;

(vi) an external debt crisis;

(vii) the need to maintain political stability; and

(viii) poor management of an invariably overwhelming public sector that also covers areas that are better left to the private sector.

The country reports (Annexe I) in respect of selected countries indicate the specific policies and strategies adopted in respect of each member state.

2.3.2 The strategies and policies that are being adopted bear no direct or deliberate relationship with subregional programmes and objectives. Indeed, many of the protectionist policies contravene agreed subregional policies. However, with the assistance of the World Bank and the International Monetary Fund (IMF) and the crushing effect of the debt crisis, many of the policies and strategies are fast becoming corrective measures. In almost all the countries, policies adopted aim at changing the structure of the economy in order to accentuate the importance of agriculture and rural development and orientate the industrial sector from import substitution to its being more resource-based. Several policy measures have been taken in all the member countries to attract foreign investment. Experience over the years have shown that the success of such measures does not depend on the magnitude of concessions; on the contrary infrastructural facilities, general economic prospects and environment, the degree of profitability of a project per se and, above all, national stability are the more inducing considerations. Concessions in the form of protection can lead to inefficiency and the production of uncompetitive goods. Some countries like Senegal and Guinea are taking bold policy measures to streamline their public service for more effective performance and draw up a strategy for the training of personnel, particularly management, at all levels. The political implication of reducing staff can, in the African setting, boomerang politically. Guinea has commenced to relinquish gradually certain public sector activities to the private sector. Monetary reforms

and policies have been successfully instituted in Mali by bringing the nation back to the UMOA group and the use of F. CFA. Guinea is expected to revert to CFA in the next five years.

(b) <u>At the Subregional Level</u>.

2.3.3 Annexe II contains a list of subregional policies and strategies adopted under the aegis of ECOWAS. They are indeed a formidable list covering priority areas of co-operation and strategies for the development of projects, establishment of national structures to follow-up on policies adopted, criteria for selection of projects, level of desirable participation in equity capital of industrial enterprises, mobilisation of the population towards the integration process and the development of programmes through specialisation including technology, training and technical assistance. Other areas include finance from specified sources, special funds for telecommunications and so on. The policies of sister economic communities like the Mano River Union, CEAO, cover in varying degrees similar grounds. The difference is that their policies and strategies are limited in scope and more oriented to the specific problems and needs of their member states. For example, they are also concerned with the establishment of small and medium scale industrial projects. However, the areas of finance including the mobilisation of local and foreign funds for development and the harnessing and co-ordination of technical assistance do not appear to be covered by ECOWAS policies and strategies.

2.3.4 The establishment of these formidable policies and strategies is no assurance that the objectives of the Community will be met. They are effective only in so far as they are properly utilised by the member states through their own national policies and strategies and, collectively at the level of the IGOs and ECOWAS. There is no sense of identity with the subregion amongst the rank and file of member states in both the public and private sectors. Although many of the projects submitted at the Abidjan meeting were listed in their respective

National Plans, there is no evidence of consultations on policies and strategies relating to development planning. Most unfortunately, in all the corrective measures being formulated by the World Bank or I.M.F. in certain member states, there is no reference to, or consideration given to subregional policies and strategies and the development of linkages with various sub-sectors of the subregion. They have on each occasion adopted a narrow perspective of examining the economy of the country they are concerned with at any point of time.

2.3.5 The summary analysis of policies and strategies in Annexe II can best be reviewed and evaluated after they have been put into full use. The General Policy and Criteria for the selection of projects (C/DEC 5/5/83) aims, amongst others, at a global regional balance by giving special attention to the promotion of projects in the less developed member states. To this end, the member states have been categorized as follows:

Group I (The Least Dev. Countries)	Group II (The Less Dev. Countries)	Group III (The more Dev. Countries)
1. Cape Verde	Benin	Ivory Coast
2. Gambia	Guinea	Ghana
3. Guinea Bissau	Liberia	Nigeria
4. Burkina-Faso	Sierra Leone	Senegal
5. Mali	Togo	
6. Mauritania		
7. Niger		

As admirable as the intentions for this policy may appear, it is important to bear in mind the implications especially in so far as subregional industrial projects are concerned. The Group I countries have, to say the least, meagre resources, to justify the location of industries. Their absorptive capacity is therefore relatively limited. A good example is the Salt project proposed for Cape Verde. The financial institutions are anxious to assist and the necessary studies completed only to find out that existing port facilities are inadequate

for the operation of the project. The additional cost of reconstructing a port to meet the requirements of the project is substantial. Assuming that voluntary funds are made available for the construction of the port facilities, a country similar to Cape Verde may be confronted with the problems of maintenance and under-utilization of the facilities. This is certainly true of Guinea Bissau.* With its limited absorptive capacity of foreign aid and technology and the enthusiasm to benefit from its rich fish resources, sophisticated fishing equipment were installed at a faster rate than the capability for their productive utilization. The indiscriminate observance of this policy therefore may entail compromising efficiency and the use of limited available resources on infrastructure as against direct productive expenditure. Perhaps, the less developed countries, in this context, can benefit more from the sharing of institutional services and direct assistance to solve their specific problems.

2.4 Analysis of Institutional Arrangements and their Impact on Subregional Co-operation

2.4.1 On the subject of subregional institutional arrangements, attention cannot but be drawn to the exceptionally penetrating UNECA study on "Strengthening Economic Integration in West Africa". The decision to undertake the study came from the Heads of State of member countries of ECOWAS. A careful study of the report and implementation of its recommendations as deemed fit will go a long way in enhancing the effectiveness of economic co-operation in the subregion. The report covered effectively all the economic communities and forty other intergovernmental organizations of West Africa. It is therefore, not the intention to go over the excellent analysis and points raised in that monumental report.

2.4.2 Besides the I.G.Os, there are a number of sectoral or bilateral and multi-lateral arrangements which are not accompanied by any permanent or physical structures. As mentioned earlier on,

---

* Please see mission report on Guinea Bissau.

there is need to streamline these organizations in order to avoid unnecessary bottleneck, duplication and waste of resources. The establishment of an Association of Inter-governmental Organizations and the Association of Regional and Subregional Development Finance Institutions in West Africa is a step in the right direction. However, ECOWAS, by the composition of its membership, is obviously in the best position to ensure co-ordination.

2.4.3 In spite of these Associations, the practice of regular and ad hoc consultations is still at its rudimentary stage. Several information, data and studies still need to be declassified and disseminated. Language differences is still a major barrier. This is not only apparent between the French and English speaking countries and organizations but also within the ECOWAS Secretariat itself. Professional and sectoral organizations have also been quite active but their enthusiasm seem to be dampened by limited resources and inaction at the implementation stage. Finally, and this is very important, West African Economic Communities like ECOWAS and CEAO with responsibility for co-ordinating a wide range of activities need secretariats with highly qualified staff where modern methods of personnel management are applied. Professional and Administrative positions are allocated to countries and not by direct appointment by the Secretariat on the basis of merit. In short all senior appointments are virtually political. Consequently, there are no career prospects nor is there a staff training programme including language training. All these minor points go a long way in determining the effectiveness of co-ordination in such organizations.

Impact of Subregional Institutions

2.4.4 In discussing the impact of subregional institutions, one has to bear in mind their objectives. For this purpose, attention is given briefly to the Economic Communities; namely, ECOWAS, the Mano River Union and CEAO. These three institutions have been established mainly to harmonise policies, to promote

development programmes in almost all economic sectors and to ensure implementation of strategies for taking advantage of the benefits of cooperation - larger markets, economies of scale and so on.

2.4.5 A number of subregional institutions have been established to secure aid and/or direct world attention to particular problem areas like CILSS, (Inter-State Committee for the Fight Against Drought in the Sahel), the Authority for the Integrated Development of the LIPTAKO-Gourma Region, OICMA (International Organisation Against the African Migratory Locust), and the Niger Basin Authority and a host of other institutions. The impact of these institutions depend to a large extent on the amount of resources available to them by way of aid and contributions from member states. In times of crisis some of these institutions have received substantial assistance and made considerable impact. However, interests in, and resources for, these institutions are never sustained. For example, the OICMA, established in 1952 and based in Bamako, has a remarkable record in curbing locust invasion, breeding and migration by carrying out biological and ecological research and by the application of their findings. In spite of pleas for continuous support, the institution has been neglected in the past six years. In January, 1986* there were already indications of an encroaching locust invasion in the subregion and at a time when the institution was without resources to take prompt action.

2.4.6 One major outcome of ECOWAS is the growing awareness in the entire subregion of the importance of cooperation and harmonization of policies. Useful contributions have been made to the drawing up of a formidable set of policies and strategies that still need to be implemented. With the support of ECOWAS Fund, some impact is already beginning to be made in the development of infrastructures. Beyond this point, its impact on industrialisation, trade and finance is marginal.

---

* Period of the Regional Adviser's mission to Mali.

2.4.7 The MRU's most outstanding impact on infrastructural development has been the construction of the bridge linking Liberia and Sierra Leone. Major plans for irrigation and hydro-electricity still need to be implemented. MRU developed the concept of "Union Industries" which accord core subregional projects incentives and full access to the entire union market. It has successfully established common training and professional institutions, programmes and fellowship in areas like medicine, engineering, telecommunications, forestry and administration. However, intra-union trade is still less than 1% of total volume of trade of the member countries.

2.4.8 Like MRU, CEAO has also made considerable impact in the field of technical and professional training. The African Centre for Higher Management Studies in Dakar, the School of Mines and Geology in Niamey, the Higher Institute for Textile Industries in Bamako are some of the many institutions already established. Much more than any other subregional organisations, it has made progress in attaining substantial free exchange of all primary goods, raw and unprocessed products. The Compensation Scheme whereby the more industrialised member states compensate the less developed states for industrial products imported from them has been a unique feature of the community. FOSIDEC, the solidarity and Intervention Fund for Development of CEAO has guaranteed loans for financing over 35 projects in member states. The department of Industry of the Secretariat has established 18 new enterprises in 5 of the 6 member states. Appendix 3 contains an analysis of, and statistics on, intra trade in the subregion with particular reference to the CEAO countries. In conclusion, CEAO has benefited considerably from French bilateral assistance and support, a better administrative set up, common (French) language and currency and a more dynamic leadership. However, there are evidences in recent years that member states are beginning to show more interest in matters of immediate interest to nationals than to long-term community interests. The initial zeal appears to be waning. This may be due to the deteriorating economic situations of member states*.

---

* Please see: (1) Appendix 3 on "Intra-trade in the Subregion"
(2) Mission Report on Burkina Faso.

2.5 SUMMARY OF MAIN STRENGTHS AND WEAKNESSES FOR INDUSTRIAL CO-OPERATION

2.5.1 A careful appraisal of the current industrial scene in West Africa reveals a number of factors that can both contribute to or detract from efforts at greater subregional co-operation. A summary of these factors may be provided as follows:

2.5.2 Strength:

(a) the existence of some amount of industrial awareness, and a general recognition of the need to rely more on locally generated inputs. These are both results of the import substitution policies and their attendant effects.

(b) the existence of a considerable amount of co-operation at the inter-governmental levels. This is evidenced by the number of IGOs which, although, viewed as too many and prone to creating confusion and waste, have nevertheless helped in several ways to bridge pre-independence geo-political barriers. In this regard the creation and role to date of ECOWAS is of special significance.

(c) the existence of a number of small-scale industries, also a result of the adopted industrialization policies. These can provide a basis on which to create growth institutions especially in the private sector.

(d) continued efforts by the subregion's leadership at finding solutions to the existing problems. This is evidenced by the number of declarations and resolutions made at various subregional meetings. Although no solutions appear to have as yet been found, the willingness which the subregion's leaders have shown towards meeting as frequently as possible and finding common grounds for agreement is also a strength.

(e) the amount of preparatory work done so far, although not adequate in terms of achieving the stated IDDA goals, is itself also a contributory factor.

(f) the rich natural resources as shown by the enormous and varied mineral deposits, fish and other resources, the colossal energy generating potential in certain countries like Guinea and the scope for mobilisation of local resources.

(g) the almost boundless opportunities for the development of skills and manpower as already demonstrated by MRU and CEAO in the creation of a number of subregional institutions and the promotion of management development and on-the-job training.

(h) the existence of relatively more advanced countries like Senegal, Ghana and Nigeria that can provide others with some of the much needed skills and entrepreneurial services.

(i) the existence and growing appreciation of the importance of a common convertible currency among UMOA countries; the success of which has accelerated intra-trade and continues to attract more countries like Mali and Guinea.

(j) the presence of a country of the size of Nigeria that can provide substantial market as well as provide leadership in the establishment of complex resource based projects like petro-chemicals and manufacture of vehicles with strong linkages all over the subregions.

2.5.3 Weaknesses:

Against the foregoing strengths, among others, must be measured the obstacles which, as indicated earlier, have proved to be many, deep-rooted and intractable. They are mainly physical, political and socio-economic factors which may be summarized to

include the following:

(a) existence of restrictive national policies on imports from neighbouring countries and mobility of labour within the subregion. These are mainly features of the adopted import-substitution measures.

(b) restrictive national policy measures relating to foreign exchange management, high tax rates and inflation in most member countries. These are mainly products of the continued deterioration in the countries' economies, but together with (a) above, they have tended to hinder free trade, flow of capital and incomes (dividends, profits, interests etc) across national boundaries. In this regard, a workable financial arrangement in the form of an institutional framework would appear to provide some of the answers, and a step has already been taken with the formation of the West African Clearing House, but a restructuring may appear to be necessary particularly in view of prevailing low incomes and predominance of the non-bank sector in the various economies.

(c) inadequate local input supply to the industrial sector due to poor linkages and lack of inter-sector complementarities.

(d) a related factor to (b) and (c) above, as well as the general use of expensive imported capital, is the high-cost and low competitiveness of most sub-regional industrial products.

(e) the general absence of adequate supply of every conceivable infrastructural facility that can provide auxiliary services to industry. They range from power and energy sources, transportation and communication to manpower training facilities.

(f) consequently, manpower supply, particularly skilled manpower, is low. Furthermore, pronounced disparity in the distribution of industries with preference for coastal/urban

centres is due to infrastructural problems and existing natural barriers.

(g) existing ideological differences, particularly with regard to the extent of state/private participation in the industrialization process of member countries.

(h) the perenial weakness and low productivity of the agricultural sector which provides employment for over 80% of the population.

(i) Additional problems relate to geo-political factors, one result of which is the degree of proliferation of IGOs in the subregion. On-going efforts at overcoming these weaknesses have already been noted, but it is important that, as basically political problems, their solutions will require bolder actions at the highest levels than have been attempted so far.

2.5.4 Landmarks in the Industrialisation Process

2.5.4.1 The trend towards industrialisation in the subregion shows a number of landmarks. These landmarks need to be noted in order to understand more fully the changes in postures and attitudes by various governments over the past years and, more so, to assess the prospects for the future in an effort to formulate a more realistic programme.

2.5.4.2 The first landmark is the end of the colonial era and the beginning of independence. Before then, industrialisation was not encouraged by the colonial masters except for a few expatriate-owned industries in capital cities like Dakar and Abidjan. The economies were primarily agricultural and geared towards meeting the raw material requirements of the colonialists. Infrastructural and skilled manpower development were also limited. African leaders therefore looked up to industrialisation as tantamount to rapid economic development. The immediate post-independence decade (1960-1970) ushered in an era of

determined effort to develop economically especially in the field of industrialisation. But, the start-off base was extremely low. The required technology for industrialisation was foreign and expensive. Paragraphs 2.1.3 and 2.1.4 above describe the general approach to industrialisation. So determined were the various governments (except Ivory Coast) that industrialisation was over-emphasised at the expense of agriculture.

2.5.4.3 Basic characteristic features of the period include the welter of indecision as to the choice of a national ideology, to

centralise, decentralise or adopt a federal set-up, and political instability as witnessed by the number of coup d'etats. The period was noted for the establishment of numerous 'white elephant' projects which were sometimes not backed by feasibility studies, and extensive public sector involvement in what used to be private sector activities. This led to the discouragement of private sector initiatives. It is important to draw attention to the fact that, on attaining independence, each country acclaimed its independent identity. Many of the subregional economic and research institutions established by the British for the anglophone countries were dismantled. This included the west African Currency Board and the West African Airways. All said and done, the manufacturing sector contributed 5.1% to GDP in 1970 as compared to less than 1% in 1960.

2.5.4.4 1975 was yet another landmark during which the governments had assessed their achievements since independence and began to appreciate the need for economic co-operation. The Lagos Plan of Action and the establishment of the Economic Community of West African States are monumental instruments for co-operation. In spite of the will to co-operate a number of exogenous and endogenous factors like the fuel crisis, drought, enormous external debts and foreign exchange problems led to a negative

growth in the manufacturing sector and gross underutilization of manufacturing capacity in many countries.

2.5.4.5 With the devastating effect of the drought which ended in 1984, a new dimension was added to the problems of the subregion. It ushered in a third landmark - a new era of prudence, the need to restructure the economy and ensure food security. For the first time, there is a unanimous call for privatisation, curtailment of public sector staff and involvement in business, mass rehabilitation of viable projects instead of establishing new ones, research into the use of local inputs, public accountability and mobilisation of local resources. It has taken member states almost a quarter of a century to reach this point. However, the crucial question remains: To what extent can these countries recover and be self-sufficient in circumstances where most of them spend over 35% of their export earnings on debt servicing?

CHAPTER 3

ASSESSMENT OF IMPLEMENTATION OF THE INITIAL PROGRAMME OF INDUSTRIAL CO-OPERATION

3.1 Status of Implementation

3.1.1 Thirty-five industrial projects and seventeen support projects covering institutional, infrastructural and manpower development were adopted in the initial Programme of Industrial Co-operation during the Subregional meeting on the promotion of Intra-African Industrial Co-operation within the framework of the ICDA held on 12-16 December 1983 in Abidjan. At the meeting, over ten additional projects were submitted at the spur of the moment, especially by countries and intergovernmental organisations that considered the projects to be located in their countries or member states as inadequate.

3.1.2 At the Seventh Meeting of the ECOWAS Commission on Industry, Agriculture and Natural Resources which met from 9 to 13 November 1984 (almost one year after the Abidjan meeting), the Subcommission on Industry considered the Initial Integrated Industrial Promotion Programme for the Subregion in depth before submission to the Council of Ministers for approval. It is pertinent to highlight certain crucial points and conclusions reached at the meeting in order to facilitate an assessment of the status of implementation. The meeting stressed the role of ECOWAS in monitoring and coordination of the programme. In spite of the large number of projects already included in the initial programme, the Commission reemphasized the recommendations of Abidjan meeting and called on the Executive Secretariat of ECOWAS to contact Member States for additional projects for submission to the next meeting of Ministers of Planning and Industry scheduled for April 1985.

3.1.3 The selection of projects to be included in the Initial Programme was therefore regarded as a continuous exercise and the number of projects therefore had no apparent limit. This stand appeared to be politically motivated in order to contain the wishes of all Member Countries. Less attention was given to the more rational criteria that had been adopted at the Abidjan meeting for ensuring successful implementation of the programme. The Commission identified certain major inadequacies in the programme such as

inadequacy of criteria for project definition and selection; lack of basic data in respect of some projects; unbalanced distribution of projects among member states. All of these were attributed to the failure of Member States to provide the necessary information. The Commission therefore appealed to Member States to take necessary measures to make available the required basic information and data in respect of each project submitted. Briefly, it is understood that for one reason or the other, the Ministers of Planning and Industry never met to approve formally the initial programme.

3.1.4 Table 3.1 below shows the status of implementation of the initial programme. An analysis of the distribution of the projects contained in the initial programme shows that no subregional projects were located in seven of the 16 member countries; namely, Cape Verde, Gambia, Guinea-Bissau, Mali, Mauritania, Niger and Benin. Ironically, six of the seven countries without subregional project proposals belong to Group I countries which according to ECOWAS policy should be accorded top priority. Group I countries have only one project. Group II and III have 12 and 13 respectively. Nigeria and Guinea had 6 projects each; Togo, Ivory Coast and Senegal had 3 each. No decisions were taken on the location of ten projects sponsored by various IGOs.

3.1.5 Apart from three projects which have been implemented independently as national projects, none of the 35 investment projects is at the implementation stage as subregional projects. Perhaps this is to be expected of a Programme that has not been formally approved. However, of the investment projects which require, as part of the programme preparatory measures, further studies or full/pre-feasibility studies or a review of the project, only two have been accorded the necessary follow-up action.

TABLE 3.1

Initial integrated industrial promotion programme for West Africa considered at Abidjan, December 1983

STATUS OF PROJECT IMPLEMENTATION

CORE PROJECTS

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
IRON AND STEEL SUBPROGRAMME		
1. Establishment of a sponge iron plant Location: To be determined	MRU, CEAO and Liptako-Gourma	Extensive follow-up action taken by the subregional organizations on all projects. ECOWAS carried out studies with the assistance of a French company (SACILOR). Similar studies carried out by both CEAO (with the assistance of UNIDO) and the Nigeria-Niger Joint Commission for Co-operation in respect of the first three projects.
2. Installation of electric arc furnaces in the subregion Location: To be determined	ECOWAS and CEAO	
3. Installation and expansion of re-rolling mill Location: To be determined	ECOWAS, MRU and CEAO	
4. Establishment of integrated iron and steel plant for flat and tubular products Location: To be determined	Proposed by MULPOC	
5. Establishment of foundries Location: To be determined	Proposed by MULPOC	
ENGINEERING SUBPROGRAMME		
6. Manufacture of four-wheeled tractors Location: Senegal, Nigeria	MULPOC Council of Ministers	Nigeria established a project in Bauchi (STEYR NIG. LTD.). BOAD undertaking a study for similar project covering the Member States of the West African Monetary Union (WAMU).

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
7. Manufacture of agricultural tools and implements	MRU	Studies undertaken with assistance of UNIDO completed and available.
8. Manufacture of diesel-engine for irrigation pumps and generators Location: Guinea	MULPOC Council of Ministers and MRU	Information on definite action not available. Project under active consideration given the extensive iron-ore deposits in Mauritania and the electrification scheme planned for the OMVS Member States.
9. Manufacture of agricultural implements and equipment Location: Nigeria	Nigeria	No action taken.
10. Production of mobile mini palm-oil mills	MRU	Follow-up action initiated by local authorities and ARCEDEM. Request submitted to UNIDO and ADB for assistance. ADB scheduled to visit MRU and ARCEDEM to exchange views and obtain more precise information on the project.
ROAD AND RAIL TRANSPORT EQUIPMENT SUBPROGRAMME		
11. Manufacture of railway wagons Location: Burkina Faso and Senegal	CEAO	Study completed and primary location of project established in Bobo-Dioulasso (Burkina Faso) with a subsidiary in Dakar (Senegal). Action also taken to select a technical partner.
12. Manufacture of diesel-engines for tractors, trucks, lorries and buses Location: Nigeria	MULPOC and IGO Committee of Experts on Engineering	Nigeria already implementing the project with the establishment of Leyland, NAMCON and STEYR plants.
13. Manufacture of engine-mounted chassis for lorries, trucks, buses Location: Nigeria	"	No action taken.
14. Manufacture of low-cost, standard multi-purpose vehicles Location: Guinea	"	No action taken.

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
15. Establishment of a central press workshop Location: Oshogbo, Nigeria	Nigeria	Nigeria initiated implementation of the project by constructing a building, importing some machinery and appointing a technical partner. Study of the project conducted by six-man World Bank mission which recommended that contact be made with World Bank to decide on joint action for its implementation as a subregional project.
ENERGY EQUIPMENT SUBPROGRAMME		
16. Manufacture of aluminium conductors and cables Location: Ghana, Guinea	MULPOC and IGO Committee of Experts on Engineering	Although no action yet taken on the project, Ghana on point of implementing a related project on the local production of aluminium ingots which could provide inputs to projects 16 - 18.
17. Manufacture of power transformers Location: Togo		No action taken.
18. Manufacture of steel towers Location: Nigeria		Information on action taken not available.
19. Manufacture of hurricane lamps Location: Senegal	BOAD	Action taken by Senegal and a technical partner for the project being sought.
CHEMICAL INDUSTRIES SUBPROGRAMME		
20. Establishment of phosphoric acid plant Location: Togo	Togo	World Bank and a technical partner being sought. Action also being taken to mobilize the investment required.
21. Subregional ammonia and urea project Location: To be determined	MULPOC Council of Ministers	Implementation of the project initiated with a detailed survey being conducted in co-operation with a Canadian firm.
22. Establishment of a phosphate fertilizer plant Location: To be determined	Liptako-Gourma Authority	Preliminary studies carried out with assistance of UNIDO. Pre-feasibility study of the Tapoa deposits already completed by a Canadian firm.

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
PHARMACEUTICALS SUBPROGRAMME		
23. Establishment of a pharmaceutical plant Location: Guinea (UFM)	MRU	Study completed and a pilot project established with assistance of UNIDO. MRU had also studied the project.
24. Establishment of a pharmaceutical plant Location: Nigeria	Nigeria	Information on action taken not available.
25. Rehabilitation and extension of Sereddu station Location: Guinea	Guinea	As for project No.23.
PESTICIDES SUBPROGRAMME		
26. Plant for phytosanitary products Location: Burkina Faso	Burkina Faso	Full study completed and related BOAD-financed studies dating from 1979 updated using national funds. Projects included in the five-year national development plan (1986-1990).
BASIC CHEMICALS SUBPROGRAMME		
27. Establishment of salt/soda production plant Location: countries of the Mano River Union	MRU	Relevant studies completed and exact location of the project yet to be determined. The selection of a technical partner under active consideration.

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
AGRO AND AGRO-BASED INDUSTRIES SUBPROGRAMME		
28. Integrated complex for poultry production Location: Liberia	Liberia	Project implementation initiated with the involvement of local smallholders and funds already secured under Danish financial assistance.
29. Food-processing plant Location: Guinea	Guinea	Studies on the expansion and modernization of both plants initiated, but currently in abeyance. An in-depth study of the food-processing sector pertinent to the project completed by UNIDO.
30. Fruit-processing plant Location: Guinea	Guinea	
31. Establishment of a pulp and paper-board factory Location: Côte d'Ivoire	Côte d'Ivoire	Apart from earlier studies carried out on the project, no action taken since December 1983.
BUILDING MATERIALS SUBPROGRAMME		
32. Establishment of a cement factory in the Liptako-Gourma region Location: To be determined	Liptako-Gourma	No action taken.
33. Establishment of a ceramics factory Location: Lomé, To	Togo	Studies on the project completed by BOAD. Technical partners and local sponsors being sought.
OTHER PROJECTS		
34. Manufacture of glass containers Location: To be determined	CEAO	A preliminary study completed in July 1984 with assistance of UNIDO and a raw materials survey conducted by NNJC in February 1984.
35. Manufacture of glass containers Location: Monrovia, Liberia	Liberia	Construction of the factory nearing completion and production scheduled to start early 1986. Company renamed Union Glass Corporation.

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
Plants for the industrial processing of millet and sorghum, Niger and Nigeria	NNJC	Pre-feasibility and feasibility studies completed. Zinder (Niger) and Kano (Nigeria) selected as sites.
Manufacture of village mills for millet and sorghum, Niger and Nigeria	NNJC	Pre-feasibility study conducted in February 1983. OPEC Fund has allocated funds for the feasibility study and contacts established with other institutions. The project is to be sited in Maradi (Niger).

SUPPORT PROJECTS

INSTITUTIONAL INFRASTRUCTURE

S1. Assistance to the OMVS	OMVS High Commission	Inter-State committee for industrial development as well as a regional planning committee set up by OMVS.
S2. Assistance to CEAO Location: Ouagadougou	CEAO	Action taken with the assistance of UNIDO in three specific community market studies at a total value of $191,578 in respect of fertilizers, iron and steel and glass production.
S3. Assistance to ECOWAS Location: Lagos	ECOWAS	Action taken with the assistance of UNIDO (at a total value of $300,000) in (i) initiating follow-up action on the subregional programme, and (ii) elaborating a short-, medium- and long-term programme for strengthening the capacity of the ECOWAS secretariat in the formulation, management and monitoring of regional industrial programmes and projects.
S4. Pharmaceutical industry development centre	ECOWAS	No action taken.

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsor	Action taken since December 1983
S5. Subregional development centre for hides and skins, leather and leather products Location: Zaria, Nigeria	ECOWAS	Action taken with the assistance of UNIDO in strengthening the institute, including an assessment of the centre's capability to provide training to industrial personnel in the African region and a proposal for a long-term co-operation programme between the centre and other research and training centres in the African region. The leather research institute of Nigeria now accepted as one of the "centres of excellence" for UNIDO training programmes in that sector.
S6. Assistance to the African Regional Centre for Engineering Design and Manufacture Location: Ibadan, Nigeria	ARCEDEM	Using a special contribution from Hungary, UNIDO, in collaboration with ARCEDEM, organized two workshops (one in 1984 and one in 1985) on co. : metallurgical industries for African countries. Most of the 24 participants in the second workshop, which took place in Hungary in October 1985 and lasted two weeks, came from the West African subregion. In response to a request from ARCEDEM, UNIDO envisaged utilizing the contribution of the Hungarian Government to UNIDO for the IDDA to provide ARCEDEM with further assistance in the preparation of a detailed design and eventual establishment of a demonstration investment foundry with an auxiliary demonstration plant for the manufacture of wax replicas.

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
S7. Assistance to African Regional Centre for Technology Location: Dakar, Senegal	ARCT	UNIDO provided assistance to ARCT in establishing an African technical information exchange service (TIES) as well as strengthening its technological information capacity. This enabled ARCT to assist in the establishment of national focal points for technological information and to strengthen the links between the countries themselves as well as between the relevant institutions and ARCT.
S8. Assistance in integrated industrial development planning for the Liptako-Gourma area Location: Ouagadougou	Liptako-Gourma Authority	The organization continued to receive the assistance of UNDP/UNIDO (initiated in 1981) in the formulation of a framework for integrated industrial co-operation between Burkina Faso, Mali and Niger. Within this framework, UNIDO experts identified potential agro-industries including industries based on livestock; assessed the market and production possibilities for agricultural machinery and production of fertilizers, and conducted a study for the development of the building materials industry.
S9. Establishment of a Mano River Union technology centre Location: to be determined	MRU	The MRU secretariat currently receiving assistance from UNIDO in identifying appropriate financial mechanisms for the funding of Union and industrial projects. This assistance is linked with a series of UNIDO/MRU short-term development projects.

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
INDUSTRIAL MANPOWER DEVELOPMENT		
S10. Assistance to ECOWAS in the development of an industrial training programme Location: ECOWAS, Nigeria	ECOWAS	Implementation of the project had been initiated through assistance UNIDO provided to institutions in Senegal and Nigeria in developing sectoral/functional industrial manpower training activities.
S11. Development of industrial consultancy and management capabilities Location: ECOWAS, Nigeria	ECOWAS	No action taken.
S12. Development of local industrial entrepreneurship (directory of small-scale industrial project profiles) Location: Addis Ababa	ECA	The first issue of the Directory had been printed by ECA and was due for distribution at the end of 1985. A similar Directory of a more global nature entitled "How to Start Manufacturing Industries" had been published and widely distributed by UNIDO. The IFC is also developing a project, with the assistance of UNDP and several donor countries and with the collaboration of the ADB, directed towards the development of local entrepreneurial capabilities in African countries.
STUDIES		
S13. Development of meat-processing and allied industries Location: ECOWAS, Nigeria	ECOWAS	Under the auspices of a technical assistance project to the Liptako-Gourma Authority, UNIDO assessed the development potential of the meat processing industry in the subregion.
S14. Processing of fish and other sea foods	ECA/UNIDO	No further action taken following the study carried out with the assistance of USAID, prior to the Abidjan meeting.

Project number, title and location (as shown in ID/WG.409/3/Rev.1)	Sponsors	Action taken since December 1983
S15. Development of the cotton textile industry	ECA/UNIDO	Action initiated, with UNIDO providing assistance to the textile technology institute in Kano (Nigeria) so as to enable it to provide extension services to other centres in the subregion. Through this institute, the project for the greater utilization of locally-grown cotton in the subregion could be developed. Furthermore, the BOAD had launched a diagnostic sectoral study of textile plants operating in the WAMU/CEAO countries.
S16. Establishment of a Mano River Union coastal shipping enterprise	MRU	MRU conducted preliminary study while ECOWAS studied a coastal shipping project which was subsequently considered premature by ECOWAS Council of Ministers. CEAO also has a shipping project (long-haul shipping) at an advanced stage.
S17. Establishment of an industrial and technology fair serving the Member States of the Mano River Union	MRU	Follow-up action taken with the assistance of UNIDO in carrying out a study of the feasibility of establishing an industrial and technology promotion fair within the MRU.

3.2 Identification of Selected Investment Projects Requiring UNIDO Assistance in their Promotion

3.2.1 Iron and Steel: The most important area of assistance that will be required from UNIDO is in the formulation of a strategy for developing and implementing iron and steel sub-programme for the subregion. Projects Nos. 1-5 in the Initial Integrated Industrial Promotion Programme relate to various aspects of the Iron and Steel Industry. So far, each country or IGO has adopted independent and unrelated approaches to the development of the industry. However, each country appreciates the importance of the subsector to the overall industrial development at both the national and subregional levels, including the agricultural sector and the considerable linkages it could have with other industrial sectors. Five of the countries of the subregion have some of the richest iron-ore deposits in the world and export substantial quantities annually without any form of processing. The sponsoring countries and IGOs need to bear in mind the implications of the cost, technology, marketing and other problems; most of which can be minimized through subregional co-operation and a closely integrated approach to the development of the industry. Hence, an overall sectoral study needs to be carried out. This will provide the necessary data and information, confirm the viability of such a subprogramme, the investment cost, locations, etc., etc., and draw out a master plan for the implementation of the sub-programme. UNIDO can assist by engaging a firm of consultants or experts to carry-out the study, identify and define better investment and support projects, and prepare a master plan for the development of Iron and Steel in the subregion.

3.2.2 Manufacture of Agricultural Tools and Machinery, Freetown

(Project No. 7 on the Initial Integrated Industrial Promotion Programme). UNIDO has assisted in undertaking a full feasibility study of this project which entails the modernization, expansion and diversification of the existing National Workshop in Freetown, Sierra Leone. The estimated total investment cost involved is only US $2.9 million. The linkages with the Agricultural sector and projects 1 - 5 referred to above are considerable. UNIDO assistance required would include the identification of:-

(a) competent technical partners or managers; and

(b) the required external financing.

3.2.3 Manufacture of Rail Wagons (Project No. 11 in the Initial Integrated programme). Here again, a full feasibility study has been undertaken and UNIDO has assisted in reviewing the project. In view of the infrastructural problems encountered especially by the Sahelian countries it is expected that this project will facilitate transportation. At the Abidjan Meeting, it was recommended for implementation in the short/ medium term. UNIDO assistance will be required in mobilising the required financing and ensuring the effective implementation of the programme.

3.2.4 Central Press Workshop/Machine tools Company, Oshogbo, Nigeria (Project 15) Although ECOWAS has not taken any action on the project as requested at the Abidjan meeting, Nigeria has gone ahead to construct and import the basic machinery. The project is estimated at over US $650,000. It is a massive project capable of providing a substantial part of machine tools and spare parts required by the subregion. About half of the total investment has been allocated by the Nigerian Government and spent on the project. Recently, a six-man World Bank mission reviewed the project which has been at a standstill since 1984. The project is located directly opposite an Iron and Steel Rolling Mill. UNIDO assistance will be required in:

(a) securing the additional funds needed for the full implementation of the project;

(b) ensuring that the capacity and products of the company are well geared to the needs of the subregion; and

(c) advising on necessary adjustments.

3.2.5 Phosphoric Acid Plant, Togo (Project No. 20) This project is accorded top priority by the Government and ECOWAS Secretariat. It has been held up for financial reasons. UNIDO assistance will be required in promoting the project among potential investors.

3.2.6 Pharmaceutical Project, Guinea (Project No. 25) UNIDO is already assisting in the implementation of this project. (i) UNIDO assistance will continue to be required especially in harmonizing this project with other similar projects (Projects No. 23 and 24) proposed and in ensuring that it is oriented towards meeting the needs of the subregion. (ii) UNIDO may wish to participate in the UNECA study project to identify the active ingredients in existence in Africa that are suitable for the Pharmaceutical Industry. The study has been held up for financial reasons. It is a project that can have tremendous impact on the entire pharmaceutical industry (in the region) that now relies almost entirely on imported products or ingredients.

3.2.7 Pulp and Paper Project, Abidjan (Project No. 31) This is considered a core project but no feasibility study has yet been undertaken as directed by the Abidjan meeting. UNIDO assistance will therefore be required in undertaking the necessary studies.

3.2.8 Subregional ammonia project, Ivory Coast (Project No. 21)

A preliminary study of this project has been completed. The plant will utilise natural gas available in the country for the production of ammonia and urea in-puts into the fertilizer industry. The project was also considered at the Council of Ministers of the Niamey-based ALPOC and approved as a core project.

3.2.9 Establishment of a pharmaceutical plant, Nigeria (Project No. 24)

Unlike the Guinea Pharmaceutical project that will depend on local herbs and medicinal plants, the inputs to this project will be derived from locally available petrochemical products. A pre-feasibility study has been prepared. The necessary infrastructure for the project has been provided with the completion of the first phase of a Petro-chemical project in the country. The plant has an estimated annual capacity of over 3,000 million tablets; 2 million litres of oral pharmaceutical liquids; 500,000 kg of ointments and 125 million capsules of antibiotics and is estimated to cost about US $68 million.

3.2.10 Integrated food-processing plant, Guinea (Project No. 29 and 30) At the Abidjan meeting, it was recommended that the two projects

submitted separately on agricultural products and fruit processing respectively be integrated into a single project. The U.S.A.I.D. has carried out a feasibility study on the project which is estimated to cost US $30 million and is expected to meet the export requirements of the sub-region for local tropical fruits and other food products.

3.2.11 Surgical/Medical Cotton, Senegal

A feasibility study has been undertaken by SONEPI of Senegal. The project is to commence with an initial annual capacity of 50,000 tons of medical cotton and would derive most of its inputs from locally produced cotton.

3.2.12 Insecticides and Herbicides, Benin

A feasibility study on this project was financed by the West African Development Bank. It is expected initially to provide the needs of the neighbouring countries - Togo and Ghana, but designed to enable it to increase its capacity on the long run to meet the needs of more countries in the sub-region. In view of the importance of the project to agriculture, the project is accorded high priority by the national authorities.

3.2.13 Insecticides and Herbicides, Burkina Faso

The project which has been supported by CEAO, will derive most of its inputs from locally available raw materials. A study on the project exists. The project is expected to cater for the entire sahelian region and compliment a similar project to be located in Benin.

3.2.14 Salt project, Niger

A study has been undertaken with the support of the Nigeria/Niger Joint Commission for the industrial exploitation of the large deposits of salt that exists in Niger. It is expected that the project will provide the needs of the sahelian region including northern Nigeria.

3.3. Analysis of the Causes Underlying the Success/Failure in Implementation of the Programme

3.3.1 The success that has been attained in the implementation of a few of the 35 projects listed in the Programme has been due entirely to the sponsoring national governments or IGOs. They were implemented as national or IGO projects in line with the priority attahced to the projects by their respective authorities and the availability of funds regardless of ECOWAS or the subregion. The analysis in this paragraph is therefore limited to the causes underlying the success or failure in implementing the recommendations of the Abidjan meeting. Follow-up action to complete feasibility studies have been done in six cases, partly because of UNIDO prior involvement in the project. There was no follow-up action on the vast majority of the recommendations, particularly at the subregional level. However, some efforts were made by individual countries and intergovernmental organisations alike to promote the implementation of the projects of the initial programme. Those efforts were hampered by a series of constraints at both the national and subregional levels.

3.3.2 Some of the reasons for the failure to implement the recommendations of the Abidjan meeting are as follows:

(i) Some of the projects were not well thought out before submission. Many were submitted on the spur of the moment. Therefore no full thought was given to the implications and problems of implementation and the basic requirements for action at all levels.

(ii) As a result, many of the projects were submitted without data or necessary studies.

(iii) Some members did not recognise the difference between a core subregional project and a national project.

(iv) Selection and location of projects were allowed to be unduly influenced by considerations other than economic.

(v) Priority subsectors for industrialization were not clearly identified beforehand and the choice of projects therefore tended to be haphazard and not in line with a concerted pattern.

(vi) There were too many projects; the identification and selection of projects were regarded as a continuous exercise without a time limit. The basis of any programme is its timing and contents.

(vii) Communication between ECOWAS Secretariat, the member countries and other IGOs leaves much to be desired. There is need for a device for accelerating communication and eliciting prompt response.

(viii) Also at the national level, communication and co-ordination in the Ministry of Planning the Ministry of Industry and other agencies responsible for expediting action needs to be improved. In general, frequent changes in personnel and government often leds to changes in policies and priorities. These factors have detrimental effects on the effectiveness of follow-up actions on decisions taken at ECOWAS meetings.

(ix) The current economic depression in almost all the countries of the subregion is perhaps the most significant single factor militating against taking prompt measures that aim at promoting subregional industrial projects. For some countries, the funds are not just available. In the drought-striken countries, the entire meagre resources are diverted towards securing food and agriculture. In others, national projects are considered of much higher priority in the short-term unless they can be assured of the benefits that can accrue from the handling of an integrated sub-regional programme of this nature and in the prevailing circumstances. This is a challenge to the ECOWAS Secretariat. However the economic crisis is reflected at all levels including the poor records of contributions from member states to the IGOs and ECOWAS.

(x) The structure and resources of the secretariats and particularly those dealing with industrial development need to be enhanced to provide efficient administrative and specialist services. Perhaps, the establishment of well staffed Departments of Industry as a single organizational entity within these Secretariats is overdue.

4. PROPOSAL OF A REVISED PROGRAMME OF SUBREGIONAL INDUSTRIAL CO-OPERATION

4.1 Recommendations For Overall Policy

4.1.1 Annex 2 contains a formidable list of policies adopted by the ECOWAS Council or Authority in support of economic and, in particular, industrial co-operation at the subregional level. A common criticism is that policies of ECOWAS and other Economic Communities of West Africa are more oriented towards trade liberalization. It is therefore suggested that they should be more production oriented. Accordingly, it is argued that after enhancing the status of production, trade will more naturally follow. As at the moment, there is not much that can be traded intra-tradewise.

The second general observation is that there is no point establishing policies if the secretariat of ECOWAS and other economic communities are not in a position to influence necessary changes or ensure implementation. The wherewithal for action (capable personnel, adequate funds etc.) must be provided and, declared policies must include why and how they are to be implemented. The proposed Revised Programme of subregional Industrial Co-operation has for this reason given priority to support projects and studies well above the establishment of Industrial Investment Projects. As pointed out in para. 2.3.4, failures of industrial co-operation projects are more often than not due to absence of in-depth studies, inadequate institutional capacity and support by way of preparation, project management etc. Third, the countries of the subregion are in the habit of always waiting for Governments to initiate and implement action. The private sector, given a freehand and necessary encouragement, can be relied upon to perform as well or even better in many spheres of industrial activities.

4.1.2 With these general observations, the following policy recommendations that can enhance industrial co-operation are proposed:

(i) The existing policies relating to industrial co-operation need to be codified in the form of a booklet, reviewed periodically and widely circulated. The booklet should also contain measures for implementation.

(ii) A policy and programme on the greater involvement of the private sector to include national competences especially agents of production, planners, financial institutions etc. need to be adopted. Such a programme may include the holding of bi-annual conferences on industrial co-operation at which representatives of production and manufacturers associations are invited. It also requires full use of all information media to achieve this end.

(iii) The mobilization of local resources (including financial resources) is a matter on which policy directives are necessary. At present, there is very little known of the available raw materials and other local inputs, technology, markets etc. within the subregion. Such a policy should, apart from propagating these informations, foster surveys on mineral resources and other local endowment factors.

(iv) Policies and programmes need to be adopted with due regard to peculiar national circumstances on matters relating to:

(a) the development of local industrial entrepreneurship and indigenisation;

(b) the energy problem as it affects industrialization;

(c) the existing crisis in public sector enterprises in most countries of the subregion and foster a programme for their rehabilitation.

4.1.3 Institutional measures to effect changes and implement policies and programmes must first and foremost, begin with the reorganization and strengthening of the ECOWAS secretariat. Briefly, there is need to establish a department of Industrial Promotions to carry out the following functions:

(i) to gather, analyse and disseminate relevant industrial data and information from/to all member governments, the private sector, associations, institutions and other bodies concerned in the subregion;

(ii) to develop an effective and persuasive liaison function in order to foster close co-operation and understanding amongst the member countries.

(iii) to serve as a resource unit for subregional industrial promotion that can advise, provide assistance and secure finance, market and expertise, within and outside the subregion.

The Department will need to have properly staffed and specialized sections to promote, monitor and co-ordinate effectively the various activities relating to the formulation and implementation of the subregional programme and those in the support areas and priority subsectors: agro-industry, building and construction, metallurgical, chemical/fertilizer, engineering. The department should maintain a dynamic work relationship with the relevant inter-governmental organisations, with national, subregional, and regional organisations, as well as with UNIDO and the ECA Multi-national Programming and Operational Centre (MULPOC). It is also recommended that the Department be informed of all major technical assistance proposals and programmes relating to subregional industrial projects in the subregion.

4.1.4 It is recommended that National Co-ordinating Committees be strengthened or established in countries where they do not already exist. Cordial relationship and regular contact between the committees and the Secretariats are considered essential for the success of a subregional industrial programme. In due course, ECOWAS can consider having representatives at carefully selected focal points if their finances become more buoyant.

4.1.5 It is proposed that action be taken, as recommended in the Programme for the IDDA* and in the guidelines for priority actions during the preparatory phase of the Decade**, to establish a subregional committee on the IDDA, which would reinforce the existing subregional industrial coordination machinery in monitoring the implementation of the programme. Proper coordination also needs to be maintained between the various subregional coordination mechanisms in order to avoid duplication and to ensure the early endorsement of any decisions by the competent legislative authorities.

---

* ID/287 Chapter III

** ID/310, Page 14

4.1.6 At the initiation of ECOWAS, UNECA sponsored a study report on "Strengthening Economic Integration in West Africa". The relevant proposals contained in the report need to be reviewed and implemented. The existence of over 45 intergovernmental organizations in the subregion covering overlapping fields of industrial and other activities and in circumstances where none can be satisfactorily funded through contributions of Members States needs to be reviewed seriously.
Finally, on the assumption that funds and qualified personnel will be available, it is recommended that support projects and studies should, at this stage, be given priority in the programme to be submitted to the Council of Ministers for approval. The studies relating to the preparation of an iron and steel programme for the subregion is strongly recommended as an urgent project in the proposed programme and as a basis for future policies on this vital subsector of industry.

4.2 Identification of Strategic Subsectors

4.2.1 The priority subsectors stipulated under the IDDA programme and described in para. 1.4.4 are as follows:

(i) Agro-industry
(ii) Building and construction industry;
(iii) Metallurgical industry;
(iv) Chemical industry;
(v) Engineering industry.

4.2.2 The ECOWAS Council of Ministers has established the following priority subsectors for emphasis*.

(i) Building and construction industry
(ii) Agricultural implements
(iii) Chemicals
(iv) Food
(v) Wood processing
(vi) Iron and Steel
(vii) Telecommunications
(viii) Electronics
(ix) Automobile
(x) Pharmaceutical and related industries.

* ECOWAS Council of Ministers meeting in Dakar, 26 - 28 November 1979. Ref. Doc. ECW/CM VI Res.26.

TABLE 4.1

Identified Subsectors And Their Linkages

Sub-sectors	Identified Branches	Linkages with national, regional, world programmes	Economic Linkages
1. Agro-industry	(1) Food processing including fish and meat processing	(1) ECOWAS and national policies on self-sufficiency in food (2) OAU Food Security programme (3) FAO world Food Programme	Agriculture Promotion Enhances health and overall productivity
	(2) Forest Industries e.g. paper + pulp projects	(1) ECOWAS "Forestation Decade" (2) National Afforestation programmes (3) National Housing Programmes (4) Educational Programmes	Building, chemical Printing Compliments educational programmes
	(3) Other Agro-Ind. Products eg (i) Industrial starch (ii) Glucose (iii) Cotton processing and Oil Mills, rubber, etc.		Textiles, paper and pulp, chemical Basic needs: clothing and footwear Health: Pharmaceuticals
2. Building and Construction Industry	(4) Cement and related materials (5) Clay (for bricks, ceramics, tiles refractory (6) Bitumen (7) Paints	National Housing programmes Infrastructure Infrastructure ECA transcontinental Road programmes	Iron and steel programmes Civil Engineering Chemical Industry Infrastructure
3. Metallurgical Industry	(8) Iron and Steel prog. (9) Other metals (for energy, telecom, etc.)	Infrastructural programmes Basic to S/R Programme for self-sufficiency	Mining, energy, water Engineering, agriculture (agric. implements)
4. Chemical Industry	(10) Petro-chemicals (11) Pharmaceuticals (12) Fertilizers/Pesticides (13) Basic Chemicals (salts, caustic soda, chlorine, etc.)	World Health Organization Nat. Health Delivery Progr. OAU Food Security Programme National Agric. Programme	Food and health Intermediate products for plastics and many other industries Agriculture
5. Engineering	(14) Spare parts (15) Electronics (16) Automobile (17) Capital goods	National (i) maintenance and rehabilitation Programme for public entreprises National and Sub-regional (ii) Technological transfer programmes	Infrastructure, almost all sectors of the economy Intermediate and capital goods production
6. Infrastructural Industries	(18) Telecommunications (19) Energy (20) Ports and roads construction	UN/ECA Infrastr. programme - telephone network - transcont. road network - subregional electric network	All sectors of the economy

These ten subsectors are more or less covered by the IDDA priority subsectors except for electronics and automobile which can be classified as engineering subsectors, and telecommunications which is understandably classified as a priority subsector in view of existing infrastructural deficiencies in communication within the subregion.

4.2.3 For a tidier and more effective implementation of an integrated industrial promotion programme, the five IDDA subsectors and infrastructural industry subsector (to accommodate the Council of Ministers subsectors) are adopted in this report as basis for identifying branches under each subsector. The identification of each branch is determined not only by its industrial linkages but also by its linkages and complimentarities with national, subregional, regional and world programmes as indicated in Table 4.1. The objectives of attaining self-sufficiency and a self sustaining economy are the other considerations in determining the branches. On the whole twenty branches have been identified.

4.2.3 In addition to the subsectoral branches, it is perhaps more important to identify functional branches in respect of implementation and the problem areas to which economic communities of the subregion have, in the past two decades, been subjected and, to which community policies and efforts should primarily be directed.

These branches are:

(i) Institution building: activities relating to the strengthening of community secretariats and related organizations responsible for industrial co-operation as described in para. 4.1.3/5.

(ii) Finance and Investment promotions: activities relating to the funding of the Organizations, the raising of funds to finance projects and the prudent use of available funds. This is a crucial aspect of the overall strategy for the mobilisation of resources.

(iii) Management: activities relating to improving organizational effectiveness and management not only in respect of the communities but also in respect of the subregional projects and programmes; through advisory services, consultancy and management development programmes.

(iv) Research: activities relating particularly to research into local endowment factors and other economic and technical factors that can enhance self sufficiency and the attainment of self sustaining economies in West Africa. This is a field that has been neglected in most countries of the subregion.

(v) Technology transfer and training: activities relating to the transfer of technology, the adoption of appropriate technology, the up-grading of industrial and professional skills, and standardization.

(vi) Trade/private sector involvement: Trade* is complimentary to industry but it is handled by a different ECOWAS Commission and a different department in each of the Economic Communities. Moreover, it has been proposed in this report that trade will more naturally follow the availability of products resulting from production and regional specialisation in accordance with endowment factors. For this reason, the promotion of private sector involvement in industrial co-operation is the dominant factor in this functional branch and is accorded high priority.

It is not expected that problems relating to these functional branches can all be solved overnight. A gradual step-by-step approach needs to be adopted.

4.3 Operational Plan

4.3.1 The setting out of the following operational plan is based on three assumptions:

(a) that the Governments, the Commissions, the Expert Committees and the Secretariats of the Communities and all concerned appreciate fully the problems encountered in the implementation of the initial integrated programme;

---

* An analysis of Intra-trade in the subregion is at appendix 4.

(b) that all concerned will therefore be committed wholeheartedly towards achieving its goals and objectives as laid down in the Lagos Plan of Action and the IDDA programme;

(c) that in a world where the gap between the developed and less developed countries is getting wider and wider each year, the time element is important. Thus, it is not enough to be committed to attaining goals and objectives only. It is assumed that they have to be attained at the shortest possible time with all hands on deck. Otherwise, action, in spite of the commitments to attaining objectives, can as well wait for another decade.

The following plan gives a procedural sketch, including the objective or goal, the activities proposed and the timing, under each functional branch.

4.3.2 Institutional Building

(a) Objective: to strengthen the community secretariat and relevant Intergovernmental and Subregional Organisations in order to become more effective in implementing the programme.

(b) Action Proposed:

(i) Review and commence implementation of all accepted recommendations of the United Nations "Proposals for strengthening Economic Integration in West Africa" (June - December 1986).

(ii) Undertake a Job Evaluation Exercise of the Department of Agriculture, Industry and Natural Resources of ECOWAS with a view to creating a full fledged Department of Industry and identifying positions to be filled, establishing Job Descriptions and an effective organisational structure. Preferably, the exercise should be undertaken by a qualified firm of Consultants. (July-December, 1986).

(iii) On the basis of the consultant's report as proposed in (ii) above, re-organise and equip the department suitably to implement its programme (January/February 1987).

(iv) Establish an institutional support project at ECOWAS Secretariat with UNIDO (or other) assistance to assist among other things in the monitoring of established projects and the preparation of new projects. The proposed support projects are at paragraph 4.4. (Duration: 4 years beginning from April, 1987.)

4.3.3 Finance and Investment

(a) Objective: To mobilise and attract local and foreign financial resources for subregional industrial promotion. This is regarded as a crucial aspect of the overall strategy for the mobilisation of resources.

(b) Action Proposed

(i) Carry out a survey of possible sources of funds for industrial cooperation including UN sources, bilateral and multilateral donors especially the European Economic Community Agencies like the European Investment Bank, European Development Fund and several other sources. The survey should include the capacity of the aid that can be provided by these bodies, their present programmes. (Commencement: August 1986).

(ii) Establish proposals for meeting representatives of all Economic Communities and subregional Financial Institutions to determine the strategy to be adopted in:

(a) Soliciting funds for industrial co-operation;

(b) Sharing and utilizing the UNDP, EEC and other Regional Indicative Budget estimated at over US $2 billion.

(c) Mobilizing local financial resources.

(d) If possible, create a subregional Fund for Industrial co-operation. (Proposed date of meeting January 1987).

(iii) Establish (after the proposed January 1987 meeting) regular and continuous contacts with all the donor countries and bodies listed following the survey referred to under step (i) and exchange views with them on the policies and programmes of the communities. (Beginning from February 1986 on a continuous basis).

(iv) Establish a strategy for speeding up the contributions of member states to be presented to the Councils of Ministers (possibly before January, 1987).

(v) Hold annual or bi-annual Round Table Conference and investment promotion exercise, like the Dakar Forum for local and foreign investors.

4.3.4 Management

(a) Objective: to enhance the department's competence not only to monitor and implement the programme but also to provide crucial management and other advisory services especially in core problem areas like the rehabilitation of public enterprises, organisational effectiveness etc.

(b) Action Proposed:

(i) Following the job evaluation exercise referred to in paragraph 4.3.2 Step 2, establish career and management development programmes for management staff of the communities (including language studies) using as much as possible local facilities. This entails establishing working relations with local management development institutions and the operation of a budget for staff development. (To commence in February/March 1987).

(ii) Establish with the assistance of UNIDO a management advisory service to assist in identifying problems, monitoring subregional project and in the rehabilitation of core public enterprises. (Commencing in March 1987).

4.3.5 Research

(a) Objective: to foster research that will:

(i) promote the use of local inputs with a view to becoming more self reliant;

(ii) enhance, in the long run, value added to locally manufactured products.

(b) Action Proposed

(i) Establish working relationship with all national industrial research institutes (like the Federal Institute of Industrial Research, Oshodi, Nigeria) in the subregion, similar research institutes in the less developed countries as well as the more advanced countries on a continuous basis and disseminate research findings suitable for the promotion of core subregional projects. Encourage research in specific problem areas through grants to research institutions. Encourage large multinational concerns already well established in West Africa to undertake in-house research. (Commencing from October 1987)

(ii) Sponsor surveys into local endowment factors and other industrial inputs, market studies and publicize widely the outcome of these surveys. (Commencing by March 1987).

4.3.6 Technology Transfer and Training

Transfer of technology is basic to the process of industrialisation and particularly to the degree of private sector involvement which is considered in the next section. It is part of the policy of ECOWAS to foster free mobility of nationals of member states. The movement of skilled and professional

personnel and the transfer of technology within the subregion can also be considered as part of an overall strategy for mobilising local resources. Some attention therefore needs to be given to this subject.

(a) Objective:

(i) To establish and propagate an acceptable policy of systematic transfer of suitable technology on reasonable terms within, and from outside, the subregion;

(ii) To assist in establishing or assisting the necessary institutions for implementing the policy;

(iii) To foster industrial and professional training and skills and free exchange of key personnel within the subregion.

(iv) To foster indigenous technology.

(b) Action Proposed:

(i) Seek the assistance of the United Nations Centre for the Transfer of Technology and UNCTAD in developing a strategy for the transfer and development of industrial technology in the subregion* (commencing August/September 1986)

(ii) Seek the assistance of UNIDO or ILO in developing a strategy for the development of industrial skills in specific priority subsectors. (Commencing September 1986).

(iii) Implement the two strategies to be developed under steps (i) and (ii) above. (Commencing from March 1987)

(iv) In circumstances where the levels of skills and technology vary considerably from country to country, the impact on developing free movement and exchange of personnel cannot be over estimated. For example, the existence of an idle Plastic factory and a complex

* A strategy has been drawn up by the PTA Secretariat with the assistance of the United Nations Centre for the Transfer of Technology.

fishing machinery that cannot be operated by local hands in Guinea Bissau can be obviated if competent personnel from say Senegal, Ghana and other countries in the subregion are attracted or allowed to complement the efforts of nationals. In this way the level of absorptive capacity of foreign technology can be enhanced.

(v) In spite of criticisms, the presence of well established foreign multi-national corporations remain one of the most effective means of effecting technology transfer. A substantial proportion of the most successful indigenous entrepreneurs or industrialists had been employees in these foreign multi-national corporations. This calls for a carefully thought out strategy for ensuring technology transfer. Already countries like Nigeria, Ghana and Guinea have introduced measures to ensure smooth technological transfer and upgrading of skill in multi-national corporations by enacting decrees on expatriate quota controls in order to ensure that:

(a) only qualified expatriates who have something to impart are granted licences;

(b) they do not occupy positions that can be satisfactorily held by nationals;

(c) the duration of their stay is limited and monitored to ensure the existence of local counterparts who can understand and take over from them within a given time. The Community Secretariats can assist in harmonising and fostering the various approaches adopted.

(vi) On the subject of skills and training, "Levy and Grant Schemes" are being established in only a few countries to encourage in-plant training and skills development. An Industrial Training Fund has been established in Nigeria whereby all employers with 30 or more personnel have to contribute 1% of emoluments to the Fund specifically for industrial training. 80% of this fund

can be reclaimed on showing evidence that an acceptable standard of training has been carried out. The Government also contributes just as much for the establishment and running of essential training institutions. The Community Secretariat can foster such schemes in other countries.

(vii) Both MRU and CEAO have lessons to impart on the establishment of specialised subregional institutions. The smaller and poorer countries of the subregion can derive immense benefit from such a scheme.

Items (iv) to (vii) are long-term activities which the ECOWAS Secretariat can undertake in due course.

4.3.7 Private Sector Involvement

(a) General Observations

Hitherto, the role of the private sector in the process of development had been undermined by the authorities of many countries in the subregion. Following the alarming rate of collapse of innumerable public enterprises, national authorities are beginning to appreciate the significant role that the private sector can play. The desperate effort to rescue the waning economies calls for a concerted effort by all the sectors. The few countries like Ivory Coast and Senegal that seem to give every encouragement to the private sector have not actually succeeded in fostering the development of the indigenous private sector as distinct from the foreign private investors. In recent months, it has become the vogue to call for the "rehabilitation" of public enterprises and the "privatisation" of the public sector. The community secretariat can play a strategic role in facilitating the trend.

(b) Objective:

(i) To attain a greater indigenous private sector involvement in the development process; and

(ii) To enhance the entrepreneurial initiative and activities of the population;

(c) Action Proposed

Basic background action

(i) Compile a comprehensive list (or Directory) of identified private sector organisations and associations like the Chambers of Commerce and Industry, the Manufacturers Associations, sectoral Industrial Associations, etc, in order to facilitate contacts.

(ii) Draw up a list of investment opportunities, local industrial inputs and products in various member countries in respect of core subsectors.

(iii) Establish basis for regular contacts with these bodies (contained compiled list resulting from (i) above) and bring to their attention findings under (ii) above. (Commencing from October 1986).

Encouragement and Incentives

(iv) The private sector and businessmen should be encouraged individually and collectively to be more involved in the activities of the Communities and should, if possible, be more involved in their deliberations.

(v) Potential foreign Investors, and already established foreign concerns should also be encouraged to establish or expand into identified areas that will foster industrial co-operation.
(Commencing from October 1986).

Aproach

(vi) The basis for a successful private sector invclvement are: the full use of all available communications media (Radio, T.V. Newspapers, Advertisements etc) in the subregion; constant and frequent interactions. The development of excellent working relations with the media is therefore important.
(Commencing from January, 1987).

4.4 The Revised Programme

With the above background, the revised programme consists of 40 core projects and 20 support projects as follows

4.4.1 Core Investment Projects

4.4.1 (a) Engineering Industry

Agricultural machinery and equipment subprogramme

First Priority

(1) Manufacture of agricultural tools and implements, Sierra Leone
(2) Manufacture of agricultural implements and equipment, Nigeria
(3) Production of mobile mini palm-oil mills, Mano River Union

Second Priority

(4) Manufacture of four-wheeled tractors, Senegal and Nigeria

Third Priority

(5) Manufacture of diesel engines for irrigation pumps and generators, Guinea

Road and rail transport equipment subprogramme

First Priority

(6) Manufacture of railway wagons, Burkina Faso with a subsidiary plant in Senegal

(7) Establishment of a central press workshop, Oshogbo, Nigeria

Third Priority

(8) Manufacture of diesel engines for tractors, trucks, lorries and buses, Nigeria

(9) Manufacture of diesel engine-mounted chassis for lorries, trucks and buses, Nigeria

(10) Manufacture of low-cost, standard multipurpose vehicles, Guinea

Energy equipment

First Priority

(11) Manufacture of hurricane lamps, Senegal

Third Priority

(12) Manufacture of aluminium conductors and cables, Ghana and Guinea

(13) Manufacture of power transformers, Togo

(14) Manufacture of steel towers, Nigeria

(b) Chemical Industry

Fertilizer subprogramme

First Priority

(15) Establishment of a phosphoric acid plant, Togo

Second Priority

(16) Subregional ammonia and urea project

(17) Establishment of a phosphate fertilizer plant, Niger

Pharmaceuticals subprogramme

First Priority

(18) Establishment of a pharmaceutical plant, Guinea (UFM)

(19) Rehabilitation and extension of the Sereddu Station, Guinea

Second Priority

(20) Establishment of a pharmaceutical plant, Nigeria

Pesticides subprogramme

First Priority

(21) Plant for phytosanitary products, Burkina Faso

Basic chemical subprogramme

First Priority

(22) Tidekelt salt project, Niger

Second Priority

(23) Establishment of salt/soda production, Mano River Union

(c) Agro- and agro-based industries

Food-processing subprogramme

First Priority

(24) Integrated complex for poultry production, Liberia

(25) Plants for the industrial processing of millet and sorghum, Niger and Nigeria

(26) Manufacture of village mills for millet and sorghum, Niger and Nigeria

Second Priority

(27) Food-processing plant, Guinea

(28) Fruit-processing plant, Guinea

Forest industries subprogramme

First Priority

(29) Establishment of pulp and paper board factory, Côte d'Ivoire

Other Projects

First Priority

(30) Surgical/medical cotton projects, Senegal

(d) Building materials industry

Cement and ceramics subprogramme

First Priority

(31) Establishment of a subregional cement factory in the Liptako-Gourma region

(32) Establishment of a ceramics factory, Togo

Non-metallic mineral products subprogramme

First Priority

(33) Manufacture of glass containers, Liberia

Second Priority *

(34) Manufacture of glass containers, CEAO Member States

(e) Metallurgical Industry

Iron and Steel subprogramme *

Third Priority

(35) Establishment of a sponge iron plant

(36) Installation of electric arc furnace plants in the subregion

(37) Installation and expansion of re-rolling mills in the subregion

(38) Establishment of an integrated iron and steel plant for flat and tubular products

(39) Establishment of Foundries

Non-ferrous metals subprogramme

Third Priority

(40) Processing of bauxite and alumina, Ghana

It is recommended that the projects in the iron and steel subprogramme should be studied as a whole with a view to developing a long-term subsectoral programme. A sub-committee should be set up to develop a master plan for the subprogramme. Similarly, the projects identified in the agricultural machinery and equipment subprogramme should also be studied as a composite whole and a sub-committee established for that purpose. The above studies should be completed at the earliest possible juncture so that the various measures to be taken could be identified and the master plan elaborated.

*Locations to be decided.

4.4.2 SUPPORT PROJECTS

ARCEDEM

(S1) Assistance to ARCEDEM

ARCT

(S2) Assistance to ARCT

Burkina Faso/Mali

(S3) Development of meat-processing and allied industries

CEAO

(S4) Assistance to CEAO

ECA

(S5) Development of local industrial entrepreneurship (Directory of small-scale industrial project profiles)

ECA/UNIDO

(S6) Development of the cotton textile industry

ECOWAS

(S7) Assistance to ECOWAS

(S8) Assistance to ECOWAS in the development of an industrial training programme

(S9) Development of industrial consultancy and management capabilities

Liptako-Gourma Authority

(S10) Assistance in integrated industrial development planning for the Liptako-Gourma region

Mano River Union

(S11) Establishment of a Mano River Union technology centre

(S12) Establishment of a Mano River Union coastal shipping enterprise

(S13) Establishment of an industrial and technology fair serving for Member States of the Mano River Union

(S14) Establishment of a Mano River Union financing institution

(S15) Processing of fish and other sea foods

Nigeria

(S16) Pharmaceutical industry development centre, Nigeria

(S17) Subregional development centre for hides, skins, leather and leather products, (Leather Research Institute, Zaria, Nigeria)

Nigeria-Niger Joint Commission for Co-operation

(S18) Assistance to NNJC

OMVS

(S19) Assistance to OMVS

Togo

(S20) Togolese National Centre for Technology Development

Basic information on each project is contained in the project profiles attached as Appendix V.

4.4.3 In addition to the Revised Integrated Programme, a special subprogramme for attaining self-sufficiency in the building and construction subsector has been proposed by the Regional Adviser in view of the fact that all the essential raw materials and inputs required are available in the subregion as shown in Table 2.1. As part of the overall strategy, emphasis need to be drawn to special areas like this subsector that can be handled with relative ease because of the abundant endowment factors in the subregion. It is proposed that the subprogramme should be limited to four years, covering the remaining period of the Decade. Its objective is to attain and declare self-sufficiency in the subsector before the end of the Industrial Development Decade for Africa. An initial Study project is proposed to identify the raw materials and inputs required and establish their location, quality, quantity and markets; to identify gaps in the subsector and recommend ways and means of filling the gaps; and to draw up a self-sufficiency and self-sustaining programme for the subsector to be achieved within four years. Recommendations and projects emanating from the Study can then be given priority.

CHAPTER 5

5. STRATEGY PROPOSAL FOR THE IMPLEMENTATION OF THE REVISED PROGRAMME

5.1 Decision Making Process to Endorse the Revised Programme

5.1.1 The established procedure for endorsing an Integrated Industrial Promotion Programme is in essence the same in each of the major Economic Communities of West Africa.

First, the proposals submitted by various National Governments and Intergovernmental Organizations including the Economic Communities are processed by the secretariat of ECOWAS for submission to the Subregional Meeting on the Promotion of Intra-African Industrial Co-operation within the Framework of IDDA which is sponsored by UNIDO, UNECA and OAU and consists of representatives of the various IGOs and experts representing the national governments.

Second, on completion of deliberations at the subregional meeting, a draft Integrated Industrial Promotion Programme is referred to the Commissions of the various Communities and IGOs responsible, among other things, for industrialization by their respective secretariats.

Third, at the Commission level, the sub-commission for industrialization (consisting of experts of member states) examines the Programme before it is approved or turned down at the Commission level.

Fourth, on approval at the Commission level, it is then passed on to the Council of Ministers (consisting of the Ministers of Planning) for approval.

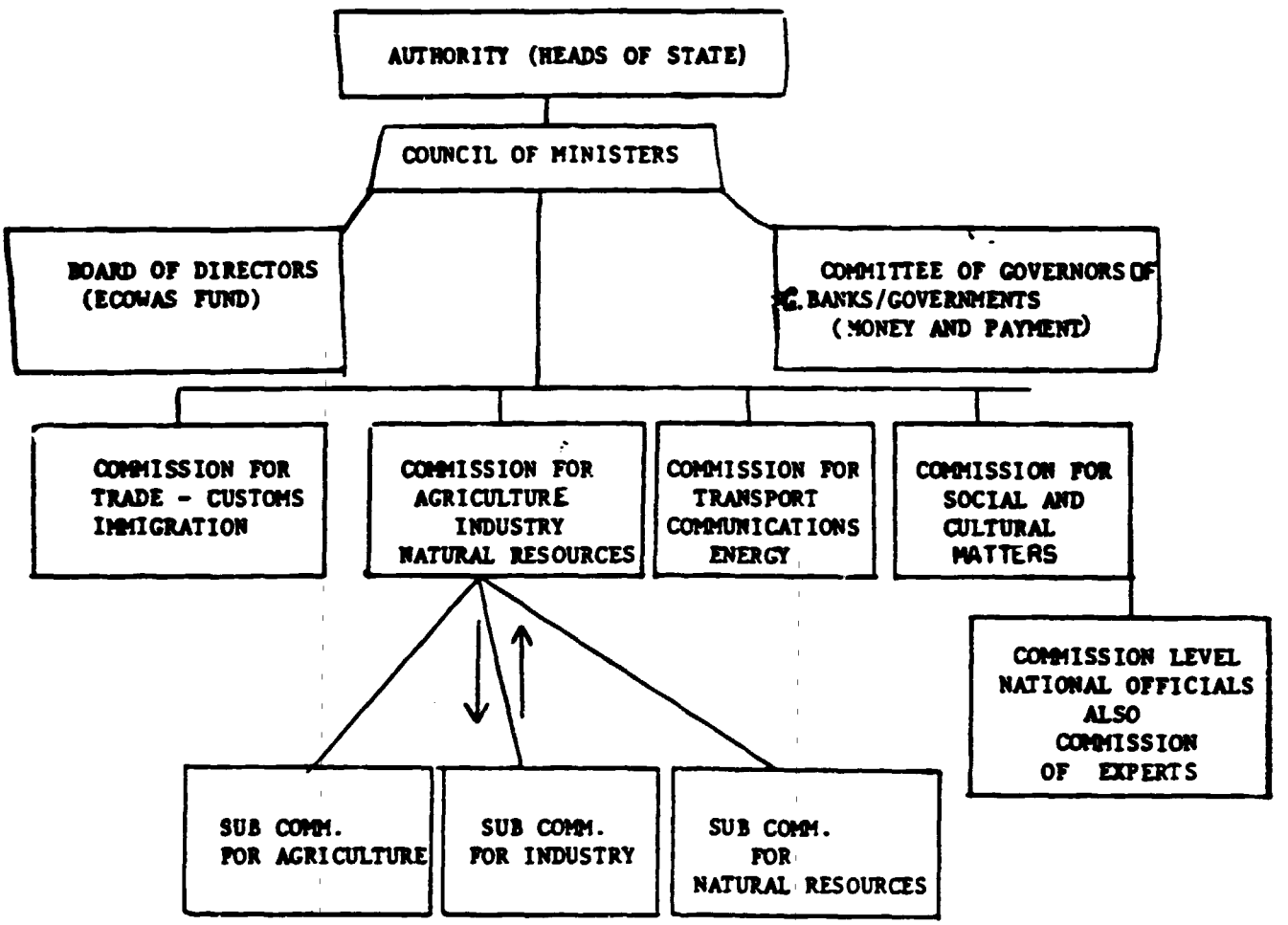
Fifth, the formal endorsement of the Authority (consisting of the Heads of State) follows the approval of the Council of Ministers.
(Chart 5.1 shows the process in respect of ECOWAS).

5.1.2 A number of observations can be made on the existing procedure.

(i) It is a long decision making process and each of the decision making bodies do not meet frequently and the meetings of the bodies are not easy to convene. In otherwords, it is time

Chart 5.1

ECOWAS DECISION MAKING PROCESS



consuming and unwieldy.

(ii) The representatives of Governments at the subregional level are not necessarily the same persons at the Commission level. They are invariably from different ministries.

(iii) Sometimes representatives of the Ministry of Industry are not aware of the projects submitted by the Ministry of Planning and vice-versa.

5.1.3 Based on these general observations, the following suggestions are worth considering:

First, any submission of projects from a national government should be jointly and formally endorsed by the Ministers of Planning and Industry respectively, submitted in order of priority, and accompanied by the necessary feasibility studies as well as a status report on each of the projects. Previous chapters of this report had stressed the importance of co-ordination and exchange of information at the national level.

Second, the members of the Sub-Commission for Industry need to be present at the Subregional Meeting in the first instance so that the draft programme can be submitted directly to the Commission expeditiously and without a hitch.

Third, as a better alternative to the second suggestion above, a Commission of Industry (as against the existing Commission for Agriculture, Industry and Natural Resources) can be established with subcommissions in each of the six subsectors (agro-based, chemical, etc.) and all members of the Commission can, in this case, be invited to the subregional meeting so that the Programme emanating from the meeting can be submitted directly to the Council of Ministers for endorsement. The system whereby a Commission for Industry is established tallies with the recommendation to set up a Department of Industry at the Secretariat in place of a Department of Agriculture, Industry and Natural Resources.

Fourth, delegation of authority in a businesslike manner can play a vital role in facilitating effective subregional industrial co-operation. In this case, responsibility for the formulation

and implementation of the Programme should be delegated to the Commission and the Secretariat respectively. This is important since goals and objectives have been clearly spelt out by various policy decisions taken at the highest level of the Authority, and the necessary guidelines are stated in the IDDA Programme and the Lagos Plan of Action. For effective management, the secretariats and the Commissions of the various Communities must be made to view success in terms of attaining predetermined goals and objectives rather than mere compliance with orders, policies and procedures.

Fifth, if the fourth suggestion is accepted this does not in any way deter the regular submission of reports and information by the secretariats or the commissions to the Councils of Ministers and the Authorities of the respective Communities.

Sixth, the essence of time which was stressed in the last chapter is a significant factor that can not be over emphasised particularly in the decision making process.

5.2 Recommended Activities for Promotion of the Programme Among Economic Agents

5.2.1 So much has been said in the preceding chapters on ways and means of promoting the Programme. The Plan of Action in Chapter 4 spells out the major steps to be taken at the national and sub-regional levels. The Revised Programme itself should be widely circulated among all relevant economic agents of the subregion especially at the national level with a request for suggestions as to how they, the Governments or the Communities, can best promote the programme. The importance of private sector involvement has already been discussed at length. Equally important, the successful mobilisation of local resources can serve as inspiration to genuine foreign investors to participate in viable joint venture projects. All these activities also require the full use of the information media and freer exchange of information. Furthermore, each member state can also be requested from time to time to state their interests in equity holdings, or the extent of participation desired, in respect of projects based in other member countries. These activities require careful monitoring and coordination.

It is suggested that ECOWAS secretariat, in close collaboration with the Government, should be responsible for the Co-ordination. The following paragraphs summarise the measures recommended in the plan for the implementation of the initial integrated industrial promotion programme for West Africa and are also considered valid for the revised programme.

5.2.2 At the national level

5.2.2.1 The following measures for accelerating the implementation of the revised programme are recommended for adoption by all Governments:

(a) Formal endorsement of the programme and its projects by Governments;

(b) Incorporation, if necessary, of the salient features of the subregional programme and its projects in national industrial development plans, possibly incurring the need to adjust ongoing national industrial development plans;

(c) Allocation of the human, financial and physical resources needed to implement the projects;

(d) Strengthening or introduction of operational mechanisms (e.g. corporations, companies, commissions) responsible for follow-up including project definition, pre-investment studies, investment promotion, and project-related consultations with other countries in the subregion;

(e) Promotion of projects among potential investors and financial institutions;

(f) If designated lead country, official submission of the project to financial institutions;

(g) On the basis of profiles for core investment projects, elaboration of detailed pre-investment studies assisted by ADB, ECA, UNIDO and competent local industrial consultancy organisations;

(h) Improvement of domestic technical capabilities and institutional capacities needed for the identification, preparation, evaluation and implementation of projects and their follow-up.

5.2.2.2 Policies and programmes should be adopted with due regard to local conditions on matters relating to:

(a) The development of local industrial entrepreneurship and indigenization;

(b) The energy problem as it affects industrialization;

(c) The current crisis in public sector enterprises in most countries of the subregion and a programme for their rehabilitation.

5.2.2.3 It is strongly recommended that existing National Co-ordinating Committees for the IDDA or UNIDO and Operational Focal Points for the IDDA should be strengthened or established as appropriate. Active working contacts should be maintained between these committees and operational focal points and the Secretariats of the relevant subregional organisations in order to ensure the successful implementation of the programme.

5.2.2.4 The endorsement of programmes and projects by the legislative authorities of subregional organisations is a protracted and quite complicated process. Furthermore, Government representatives attending the meeting of these subregional organisations are invariably changing and often come from different ministries, with the representatives of one ministry being unaware of the projects submitted by another ministry. In the light of the above, efforts should be made to maintain consistency in the representation of Governments at various meetings dealing with industrial co-operation.

5.2.3 At the subregional level

5.2.3.1 Some activities have been identified for the implementation of the Initial Integrated Industrial Promotion Programme at the subregional level. These are:

(a) Formal endorsement and implementation of the Initial Integrated Industrial Promotion Programme by the intergovernmental organizations in the subregion, and inclusion thereof in their subregional development plans and programmes.

(b) Involvement of the technical committees of subregional organisations on a sector-by-sector basis within the framework of the Association of Intergovernmental Organizations of West Africa (in concert with initiatives taken by existing intergovernmental organizations) to co-ordinate, monitor and advise Governments on the selection and implementation of multinational projects in each subsector.

(c) Provision by those intergovernmental committees of advice to Governments on the preparation, implementation, management and monitoring of the multinational industrial projects, including the definition of:

(i) The broad principles governing the relationship among the parties and specifying the co-operation arrangements in the areas of industrial production, and trade in industrial raw materials and products;

(ii) The policies and supporting measures which the governments concerned should pursue;

(iii) Operational principles and measures which the governments concerned should pursue;

(iv) Joint ventures involving such bodies as multinational corporations in the countries of the subregion and other subregions and regions, or statutory corporations and other enterprises;

(v) Co-production and specialization, including subcontracting and marketing, as an arrangement of particular importance to engineering based core industries;

(vi) Joint acquisition of technology and the mobilization of financing resources.

(d) Agreement among the countries in the subregion on the host country for each multinational core project and the respective role of the others in implementing the core projects. These would include agreement on:

(i) Supply of the requisite raw materials and energy;

(ii) Purchase of intermediate and final products;

(iii) Equity shareholding, majority of which should be owned by African countries;

(iv) Training and allocation of manpower to the project;

(v) Conducting R&D related to the project;

(vi) Exchange of information;

(vii) Management of the enterprises;

(viii) Subcontracts, where possible.

(e) Assistance by intergovernmental organisations and development banks in the subregion in the mobilization of financial and other resources, including investment promotion for the implementation of the multinational core projects;

(f) Strengthening or establishment of operational arrangements, such as multinational corporations or enterprises linked with corresponding national corporations, for the implementation of specific project or complex of projects. In this regard, it should be noted that in establishing multinational enterprises aimed at a lasting and effective economic relationship, it may be necessary for each partner, particularly the Governments, to share in the risks and rewards of the enterprises and participate fully in the decision-making at the highest managerial level;

(g) Involvement of African Chambers of Commerce and Industry or manufacturers and their associations as well as competent local consulting firms from the outset of the project, increasing their participation/involvement as the project

develops.

5.2.3.2 In order to implement the above-mentioned measures, a number of policy actions will be required. The productive capacity of the subregion must be enhanced in order to increase the volume of trade. Furthermore, the capacity and capabilities of the relevant subregional organisations, especially ECOWAS, will have to be reinforced in order to ensure effective follow-up and monitoring of the implementation of the programme. Institutional measures to effect changes and implement policies and programmes should therefore include the strengthening of the secretariats of the relevant intergovernmental organisations, especially of the departments responsible for industrial project preparation, evaluation and promotion in each of those organisations.

5.2.3.3 It is further suggested that:*

(i) A subregional committee on the IDDA, which could reinforce the existing subregional industrial co-ordination machines in monitoring the implementation of the programme, should be established along with subsectoral committees in selected priority subsectors;

(ii) Proper co-ordination should be maintained between the various mechanisms in order to avoid duplication and to ensure the early endorsement of any decisions by the competent legislative authorities

---

* These suggestions are in line with the recommendations of the IDDA programme ID/287 Ch. III, and ID/310 page 11.

Promotion of the Programme: Special Activities

5.2.4 Recommendations relating to the promotion of the programme have been made in this and preceding chapters. They include the creation of greater awareness among all relevant economic agents, the successful mobilisation of resources and greater private sector involvement. It has also been proposed in chapter 4 that a "Four-Year Self Sufficiency Sub-programme in the Building and Construction Subsector" be adopted. This is just one example of a special subprogramme that is completely resource-based and can make a great impact on the subregion because:

(a) all the essential inputs and resources are available locally,

(b) it meets certain basic needs of the people - shelter and infrastructure,

(c) the goals of self-sufficiency and self-sustaining growth can more easily be attained in this subsector,

(d) a successful subprogramme of special activities of this nature can have a catalytic effect on the other subsectors.

A useful promotional activity can be the organization of a conference of the economic agents in the subsector to be held simultaneously with an exhibition of the technology, local products and inputs of the subsector with emphasis on the gap to be filled. Similar conference cum exhibition can also be held at the end of the subprogramme highlighting the achievements over the four year period. By the end of the decade the IDDA Programme can claim success of complete self-sufficiency in at least one of the five priority subsectors.

5.2.5 Innumerable number of other special promotional activities can be proposed. However, it is for the economic agents in each subsector and in each country to play a major role in identifying and proposing ideas on special activities that can accelerate the attainment of the IDDA goals. Accordingly, the economic agents must be given the opportunity. National Governments and community Secretariats can act as catalytic agents; but the coordinating roles of the latter at the sub-regional level cannot be gainsaid or overestimated.

5.3 Proposals on Bilateral and Multi-lateral Sources of Financing

(a) Bilateral Sources:

5.3.1 Well over 40 developed countries provide some form of technical assistance to most of the countries in the subregion. The total value of the programmes is substantial. A more strategic approach towards harnessing this source of assistance could have a tremendous impact on development efforts. For example, some of the donor countries are often happy to participate in specific projects when approached individually. In this case, a two-pronged approach needs to be adopted. The host Government must take the leading role in making the necessary approach at the national level, while the secretariat of ECOWAS or other relevant subregional organizations should support such requests by presenting the programme in a global context and promoting it among potential donors and investors.

5.3.2 A similar two pronged approach can also be taken in respect of certain Third World Countries that have the funds or technology to impart e.g. the Arab countries. Also, these activities require constant communication and co-ordinating between the host countries and the Community Secretariats concerned.

(b) Multilateral Sources

5.3.3 Major sources of financing are the multilateral agencies such as the Arab Fund for Economic and Social Development (AFESD), Arab Bank for Economic Development in Africa (BADEA), European Economic Community (EEC), International Finance Corporation (IFC), OPEC Fund, and the World Bank. All these agencies should be approached with concrete project proposals based on a careful study of their priorities and areas of interest. Furthermore, multilateral aid agencies and financial institutions should increase their support to subregional projects since they helped to develop and strengthen linkages between industry and other

sectors, especially agricultural and food production.

5.3.4 Consideration might be given to the publication of a brochure by the ECOWAS secretariat, with the assistance of UNIDO, on the revised integrated industrial promotion programme for West Africa. It should be specifically aimed at attracting support from bilateral and multilateral sources. It is suggested that the communities seek representation and recognition in aid-giving conferences such as the Lomé Convention of the EEC/ACP countries and the Paris Round-table Conferences of investors.

5.3.5 Although the countries in the subregion are expected to use all the economic and diplomatic channels at their disposal to promote the projects identified, UNIDO should also provide assistance through its investment promotion programme, including the use of its Investment Promotion Services.

5.4 Possible Role of the Co-ordinating and other Agencies

5.4.1 As stated in the initial programme, the successful implementation and economic operation of core industries calls for the development of human and technological capabilities, the mobilization of financial resources as well as the establishment or strengthening of capabilities to service and augment the industrialization process in the subregion. The agencies and organizations of the United Nations system, in particular UNIDO and ECA, in close co-operation with the ADB, BOAD, OAU and other African organizations such as ARCEDEM, ARCT and ARSC, can contribute to meeting those requirements and thus help to overcome the acute developmental problems of the subregion.

5.4.2 For the most part, these organizations would provide technical assistance, upon request, in the following areas:

(a) Updating of the subregional industrial programme;

(b) Preparation of pre-investment studies, including investment profiles on selected projects in each subregion, providing information on such items as: consumption; plant size; raw materials; utilities; technology; investment; manpower and training; probable production cost; project/programme profitability; and potential market(s);

(c) Identification of specific areas and modes of co-operation between countries, as well as between producers and R & D facilities, in implementing the programme for the Decade;

(d) Operations of the Association of Intergovernmental Organizations of West Africa relating to reviewing and updating the regional integrated industrial promotion programme, monitoring its implementation and co-ordinating the activities of the technical committees;

(e) Development of capabilities related to: industrial planning; industrial consultancy; project preparation; procurement of supplies; and support of local entrepreneurs and manufactures including the creation of associations related to core programmes;

(f) Organization of technical consultations, negotiations and investment promotion meetings in specific core subsectors. These will include consultation and negotiations between:

(i) African countries, involving both State finance institutions and local agents of production and distribution;

(ii) African States and potential partners from other developing countries through ECDC, involving potential investors from those countries as well as financial institutions;

(iii) African States and potential partners from developed countries.

5.4.3 It is perhaps important to stress the need for a system which should be developed by UNIDO, in co-operation with the ECA, ECOWAS, OAU and appropriate subregional organizations, to assist countries in monitoring the implementation of the revised programme. In this regard, it is considered desirable to host regular meetings of all the governments, co-ordinating agencies and organizations concerned, for example every two years, in order to review, adjust and monitor the implementation of the

programme. For such a system to ce effective, Member States and other project sponsors would have to provide information on the projects' status of implementation.

5.5 Possible Role of UNIDO

UNIDO has in the past been actively engaged in collaborating with other organisations like UNECA, OAU and the various Communities of the subregion in an effort to attain the objectives set out in the IDDA programme. UNIDO will continue to play this active role. Specifically, it can assist in the implementation of the Revised Programme particularly in areas relating to Support and Studies as well as investment promotional activities.

ANNEX I

COUNTRY REPORT

I TOGO

1. Togo with a population of 2.7 million and an annual growth of 2.7% is a member of the Economic Community of the West African States (ECOWAS), the Economic Community of West Africa - Franc Zone (CEAO) and fifteen other Inter-Governmental Organization in the Subregional.

2. RESOURCES

Togo has rich and easy to mine phosphate deposits, calcium and other minerals for the production of cement. Other resources are cash crops such as cocoa, coffee, cotton, palm kernel, karite and groundnuts.

3. THE ECONOMY

The economy is based on farming. Rich deposits of high grade phosphate rock make Togo one of the most efficient producers in the world. There is manufacturing on a small scale. GDP at current factor cost in 1983 was $621 Million, ($740 million, at current market prices).

4. AGRICULTURE

Agriculture accounts for 80% of employment and 30% of GDP. 11% of the area of Togo is under cultivation. The sector is mostly traditional and low-yielding, with small-holder food crops accounting for 70% of production. However, cash crops are of increasing importance and generate 30% of the country's foreign exchange earnings.

Growth in agriculture has been limited by:

(1) a relatively low level of investments and extension services;

(2) insufficient price incentives; and

(3) occasional droughts.

The relative neglect of agriculture has meant that only tiny portions of the cultivable land used to grow food crops benefit from fertilizer, insecticides and selected seeds. Yields are consequently low. Production of export crops, mainly cocoa and coffee, has been hampered until recently by not overly attractive producer prices and by aging tree with declining yields. Replanting has not contributed to growth because of the lag of about 5 years before new trees come into production. Because of the scope to increase output of both food and export crops, if a sustained effort is made to prepare and implement good projects, growth in agriculture was projected to be about 3% annually between 1981 and 1985. More resources allocated to food crops to modernise production techniques, and the beginning of returns on IDA - supported cocoa and coffee replanting schemes will be the main reasons for the more rapid growth in agriculture.

5. MINING

It accounts for only 6% of the GDP and employs 1,600 persons, provides 40% of export earnings and 30% of Government revenues.

The mining sector is beset by the following constraints:

(1) It is largely undeveloped, being confined to the primary stages of production;

(2) It is export-oriented; and

(3) It hardly has any domestic linkages to the industrial sector.

The production phosphate rock slumped badly in 1975 due to a recession-induced decline in demand. Prices had fallen from $115 in 1974 to about $23 in 1979. Prices were expected to increase from $46 in 1980 to $53 in 1985. It was assumed that if the presently excessive transfers of funds from the phosphate mining company to the Treasury could be reduced to enable the company to re-constitute its depleted working capital and assume some self-financing of capacity expansion, output in mining could increase considerably.

6. MANUFACTURING

Manufacturing activities are of limited importance in the Togolese economy. It contributes only 7% of the GDP. The sector consists of about 90 enterprises, employing 8000 people. They are mostly import-substitution industries (brewery, textiles, shoe factories, cement).

The massive investments channelled into industrial projects did not boost real GDP due to little or occasionally even value added of most new industrial units. The capital intensive nature of much investments realized led to an increase in the demand for energy, most of which is met through imports of petroleum products and electricity.

Government's intention to adopt remedial policies to redress state enterprises is expected to overcome the stagnation of the sector. This will require a broad range of adjustment measures which could involve the closure of marginal enterprises. Expansion in energy will be boosted by policies aimed at increasing domestic production and reducing the reliance on imported energy.

The main obstacles to the expansion of the sector include:

(1 Limited size of the domestic market;

(2) Lack of managerial and technical skills

(3) Uncompetitive prices. Several enterprises producing, for instance, vegetable oil and bicycles have lost sales due to uncompetitive prices. Besides, competition from Ghana and Nigeria is keen.

(4) Limited potential for export. Potential for export is limited because Togo has only few comparative advantages;

(5) Local entrepreneurs have not become very active in industry, preferring to invest in commerce or real estate where yields are perceived to be higher and safer;

(6) Private foreign investments have also been limited; and

(7) Local industries are very little protected through quotas and tariffs in line with the Government's liberal economic policy.

7. INDUSTRIAL POLICY

(1) The Government has an investment code which offers generous advantages in the form of exemptions from duties on imports and profit taxes (15 years for import duties and 9 years for profits taxes);

(2) National Centre for the Promotion of Small-and Medium - Scale Enterprises (CNPPME) has been established to induce Togolese entrerpreneurs to gradually move into industrial activities. CNPPME is expected to help potential investors with feasibility studies and operate two industrial estates in Lome and Lama Kara. Lack of funds, technical and managerial personnel, and investment opportunities have limited the interventions of the CNPPME;

(3) To promote local private investment, two development banks have been created:

(a) The SNI (Societe Nationale d'Investissements) is expected to specialize in large projects, and

(b) The BTD (Banque Togolaise de Developpement) in smaller projects. However, the volume of projects financed have remained limited due to shortage of viable projects and insufficient project preparation capacity of the institutions.

8. ECONOMIC PROBLEMS

The economic crisis which began in 1978 is a result of expansionary policies which were maintained during the 1976 - 1980 plan period beyond the available financial means.

In 1975 current revenue of the Government nearly doubled as revenue from phosphate increased from CFAF 4 billion to CFAF 12 billion. However, in 1976, the first year of the third five-year plan, the Government embarked upon its expansionary programme (which was designed to support the ambitious plan objectives of economic taken-off, leading to self-sustained growth) just when the phosphate market collapsed. This led to the implementation of some marginal or unviable projects, haphazard foreign financing and a drastic change in the policy when the bubble burst.

The crisis necessitated IMF help. A stand-by facility of SDR 47.5 million was provided. Togo, in addition, successfully rescheduled overseas debt payments which were due in 1981 and 1982 over a period of five years, beginning in 1985.

9. PLAN

The fourth five-year development plan (1981 - 1985) was aimed at 6.5% annual growth. The main objectives are to:

(1) increase food production,
(2) develop agro-industries,
(3) provide improved health and infrastructure in rural areas,,
(4) establish projects to exploit mineral wealth:
    (a) phosphoric acid plant,
    (b) exploitation of the iron ore deposit,
    (c) extension of the CIMAO clinker plant, and
(5) Continue development of tourist facilities.

The economic policy in the first half of the 1980s does not aim at growth per se , but the successful restructuring of incentives and institutions within a resource gap to support accelerated growth in the latter half of the decade. Recently, government planned to implement an action programme for structural reform. The main elements are:

(1) Scaling down of the first phase of the 1981 - 85, Development Plan;
(2) Rationalization of public enterprises operations; and
(3) Establishment of policy machinery to review the options and opportunities in the productive sectors.

The World Bank has been supporting this initiative through its ongoing Technical Assistance Project in the Ministry of Planning, a special mission to evaluate public enterprises operations and project aid sector work in agriculture and industry. Certain key short-term pricing measures have been identified to stimulate cash crop production and inprove the financial viability of mining operations. Recommendations have been formulated to lessen the financial burden of public industrial and service enterprises.

10. INVESTMENT POSSIBILITIES

(a) Manufacturing

(1) Establishment of a Phosphoric and Fertilizer Plant

(2) Establishment of a Ceramics Plant

(3) Rehabilitation of the CIMAO Clinker Project

(b) Infrastructural

(1) Development of local energy resources. (A full study on the subject exists).

COUNTRY REPORT

II IVORY COAST

1. Ivory Coast with a population of 8.5 million is a member of the Economic Community of the West African States (ECOWAS), the Economic Community of West Africa - Franc zone (CEAO) and 17 other Inter-Governmental Organizations in the subregion.

2. Resources

The major exports of Ivory Coast are coffee, cocoa and timber. There are some diamond and manganese deposits. Large deposits of iron ore have been reported. Oil has also been discovered.

3. The Economy

The GDP at current factor cost in 1983 was $5307 million. At current market prices, it was $6457 million. Based on current market prices, the GDP per capita is $760.

The Economy is largely based on agriculture. The present economic crisis is reportedly due to drop in prices of the country's commodity exports. Development plans leaned therefore heavily on external financing. This resulted in considerable debts. Repayments became increasingly difficult to meet; debt/export ratio was about 30%. IMF and IBRD, at Ivory Coast's request, had to intervene.

4. Recovery plan

A 3 year recovery plan (1981 -83 was drawn up. This involved:

(1) cutting public spending;

(2) postponing certain investments, and

(3) ensuring tighter management of state companies.

The plan included credit facilities of SDR 484.5 million over 3 years from IMF and a structural adjustment loan of US $150 million plus a technical assistance loan of US $16 million from the World Bank.

5. Agriculture

Agriculture accounts for more than 67% of exports. It contributes about 36% of earnings to the GDP. The major exports are coffee, cocoa and timber.

Drought and a series of disastrous bush fires reduced agricultural production 1983. The fall in production was, however, more than compensated by a rise in the prices of cocoa in international market.

6. Mining

Mining is insignificant in the Ivorian economy. It contributes just 2.07% to the GDP. There is some diamond and manganese mining. The iron ore deposits are yet to be exploited. Two oil deposits have been discovered. Ealier deposit produced 480,000 tonnes of oil in 1981. An output of about 1,500,000 tonnes was expected from the Espoir deposit.

7. Manufacturing

The manufacturing sector employs over 70,000 people. It is believed to have expanded at 11% over the past 5 years. The sector accounts for 11.42% of the GDP.

The main industries are concerned with agricultural processing. There are sugar refineries, oil mills, canning plants and textile factories. Other sub-sectors developed include timber and chemical factories, assembly units and a range of factories connected with the building trade (cement, concrete reinforcement bars, etc.). There is an oil refinery. SIR, the refining company is expanding. It now has a capacity of 2 million tonnes. This is expected to increase to 4 million tonnes soon.

Industrial production 1983 and 1984 was adversely affected by drought. Drought lowered water levels in the reservoirs in the country to such an extent that hydroelectric power was frequently cut and industrial production thereby reduced.

8. Industrial Policy

The industrial strategy pursued by the Government stresses the requirements that the 'Ivorianization' process in industry must steadily progress. This implies some state intervention.

9. Investment Possibilities

(a) Establishment of a Pulp and Paper Factory;

(b) Expansion of Existing Sugar Refineries to meet the colossal demand in the subregion. (Estimated at over 960,000 tons annually in Nigeria only and met mainly through imports from Europe).

COUNTRY REPORT

III SENEGAL

1. Senegal's population (by mid - 1983) stood at 6.2 million. It is a member of the Economic Community of West African States (ECOWAS), the Economic Community of West Africa - Franc Zone (CEAO), the Organization for the Development of the Senegal River (OMVS - Organization pour la Mise en Valeur du Fleuve Senegal, with Mali and Mauritania) and the Organization for the Development of the Gambian River (OMVG - Organisation pour la mise en Valeur du Fleuve Gambia, with the Gambia) and fifteen other Inter-Governmental Organizations in the subregion.

2. Resources

Senegal has rich deposits of phosphates, salt and iron ore. The main cash crops are groundnut and cotton. Fish and livestock abound.

3. Infrastructure

It has a relatively well developed infrastructure. There are about 14500 km of classified roads, of which 300 km are tarred. The total railway-line is 1200 km. Senegal has 4 airports, Dakar being of international standard.

The country is completely dependent on imported oil to generate electricity. Hydro-electricity is expected to play a leading role in future. In co-operation with Mali and Mauritania, two dams are planned to be constructed on the Senegal River to provide electricity to the three countries. Pilot plants on solar energy are being implemented in Bakel and Diakhao.

4. The Economy

The main export commodities are groundnuts, groundnut oil, oilseed cake, fish and fish products, phosphate, fertilizer, unrefined salt and cotton. The Economy is also based on herding. Tourism accounts for a substantial part of the foreign exchange earnings - about CFAF 25 billion annually.

The GDP at current factor cost in 1983 was US $1997 million. At current market prices, it was US $2186. Based on market prices, the GDP per capita is $353.

Senegal has been facing in recent times an economic crisis. Problems include:

- (1) public sector deficits;
- (2) deteriorating terms of trade;
- (3) several years of drought;
- (4) balance of payments deficits (about US $81 million in 1983); and
- (5) rising external debt (at present, US $1501.5 million).

The Government was forced to draw up an economic and financial recovery plan at the end of 1979, with the support of a structural adjustment loan from the World Bank. The policy package included:

- (1) cut in consumer subsidies;
- (2) increase in custom tariffs;
- (3) increase in price of petroleum products;
- (4) gradual reduction in internal debt; and
- (5) restriction of wage bills.

In January 1985, the Government renegotiated before the Club of Paris the rescheduling of debts to be paid in 1984 and 1985 (about CFAF 60 billion). The economic and financial recovery plan, 1985 - 1992, has the following as main ideas:

- (1) absorbing the budget deficits,
- (2) clearing the domestic debt,
- (3) reducing the foreign debt burden,
- (4) recovering a balance in the price equalization and stabilization fund.

The plan is aimed at:

- (1) rationalizing public finances;
- (2) giving new incentives to the industrial policy;

- (3) relaunching agriculture;
- (4) bringing water to the rural area, and
- (5) promoting employment.

5. Agriculture

Agriculture contributes about 18% to the GDP. The principal export commodity is groundnut. It accounts for about 33% of export earnings.

Value added in agriculture increased in 1983 by 6.3% in real terms. Livestock holdings were significantly reduced by the 1983/84 drought, however. The production of groundnut roughly halved from 1,163,000 tons in 1982/83 to 568,000 tons in 1983/84. Output is 669,000 tones presently.

Agricultural Policy The new Agricultural Policy (NAP) involves:

- (1) shifting responsibility to farmers;
- (2) reducing extension services and establishing flexible and result-oriented back-up services;
- (3) integrating the different branches of agriculture on a product-by-product basis;
- (4) stressing the need for self-sufficiency in food; and
- (5) setting up co-operative movements that will take over the task of supplying input and the marketing of produce.

6. Mining

Mining contributes only 1.5% to the GDP. Exploitation activities are presently limited to calcium phosphate (1 billion tonnes in 1979), aluminium phosphate (185,000 tonnes in 1979) and salt (140,000 tonnes in 1979). Iron ore deposits at Faleme,
near the Mali border have proven reserves of 400 million tonnes. Exploitation of the deposits depends on the development of transport and power facilities.

7. Manufacturing

The industrial sector is predominantly food-based; it gets its drive from agriculture mainly and more specifically, from groundnut production. The sector employs some 50,000 people and accounts for 17% of the GDP at current factor cost.

The manufacturing industries include food processing; beverages (beer and soft drinks); sugar and confectionery; soap; detergents and cosmetics; cement; textiles; tobacco; leather; construction materials; oilseed processing; phosphate-based chemical industry (phosphoric acid, phosphoric fertilizer and sulphuric acid); pesticides; petroleum refinery; and milling and baking.

Industrial concentration is high. Because of availability of energy, physical and institutional infrastructure as well as other facilities, the large majority of the country's industrial enterprises are located in the capital, Dakar.

8. Industrial Policy

The role of the state is related to management of public enterprises and acquisition of shares in private enterprises. The state is predominantly involved in agro-industry, groundnut processing, seafood and food processing, chemical and petrochemical industries and metal-working industry. Industrial free zone has been set up to encourage private, especially foreign, investment in industry.

9. Investment Possibilities

(a) Infrastructural

(1) Development of hydro-electricity (in co-operation with Mali and Mauritania) on the Senegal river.

(2) Assessibility of water in rural areas.

(b) Institutional

(1) Need for Manpower (and especially management) training at almost all level of public enterprises and services, and to facilitate growth in the productive sectors.

(c) Industrial

(1) Manufacture of Railway Wagons

(2) Medical Cotton

COUNTRY REPORT
V GUINEA

1. Guinea's population in 1983 was estimated at 5.83 million (with an annual growth of about 2.8%). It is a member of the Economic Community of West African States (ECOWAS), the Mano River Union (MRU), the Organization pour la Mise en Valeur du Fleuve Gambie (OMVG), the Commission du Fleuve Niger (CFN) and three other Intergovernmental Organizations in the subregion.

2. Resources

Guinea has some of the world's largest bauxite and iron ore reserves. There are also gold, diamond, and probably some manganese deposits. Agricultural crops include coffee, banana, palm oil and paddy rice. There is a thriving livestock population.

3. Infrastructure

With the exception of hydro-electric production and traditional use of wood fuel, it imports all its energy requirements. Much of the national plant, particularly hydro-electric capacity, is in a poor state of repair. Guinea has a very large hydro-electric power potential which, if fully exploited, can provide energy for the entire Mano River Union member countries, including Mali and the Ivory Coast. A scheme for the Konkoure River proposes a 375 mw dam. The Niger Basin Authority has identified and completed preparation for a multi-national FOME hydro-electric project based in Guinea. Apart from electricity, these projects can help in the cultivation of a large proportion of land.

Communications are generally very poor. They deteriorated considerably during the last 15 years as a result of insufficient funds for maintenance. Motor vehicles population is very small, at about 20,000. The main railway line runs from Kankan to Conakry (661km). It has been in a poor state of repair and is currently being renovated with French aid. There is also a line from the Friguia Alumina Centre to Conakry. A 135 km heavy gauge railway

links the Boke bauxite deposits to the port of Kamsar. The main port is Conakry. There is an International Airport at Conakry. Telephone network is limited and obsolescent with less than 15,000 telephones in service, almost all in Conakry.

4. The Economy

While Guinea's economy is based essentially on agricultural and pastoral production, it currently depends almost entirely on mineral exports for foreign exchange earnings. The main exports are bauxite, aluminium, diamonds, and agricultural commodities such as coffee, banana and pineapple.

Data to show the progress and structure of the economy are extremely sparse. GDP at current factor cost in 1983 was estimated at $1987 million. At current market prices, the GDP was $2367 million. Based on current market prices, the GDP per capita was $406.

Overall economic performance is poor. It has been characterized by:

(1) declining per capita output;

(2) chronic balance of payments difficulties leading to import shortages and arrears on debt services;

(3) public finance deficits financed by inflationary credit expansion; and

(4) inability to finance investment and develop the resource base of the economy.

The Government entered into a one-year adjustment programme with the IMF in mid-1982. The programme was aimed at short-term financial targets.

- reduction of domestic inflation;
- reduction in growth of domestic liquidity; and
- reduction in arrears on external debt.

It also included policy objectives for long-term recovery:

- control of public employment and consumption;
- improvement in investment programming and external financing of investments;
- increase of parastatals autonomy and efficiency;
- control of domestic credit expansion of the public sector;
- continuation of price liberalization; and
- review of exchange rate system

The stand-by arrangement is no longer operative since Guinea has not complied with the performance criteria, particularly the review of the exchange rate. The new government with IMF is currently drawing up another recovery programme. It is expected, as part of the economic recovery programme, that the syli will again be substantially devalued*, and possibly replaced by a new currency. The Government plans to join the CFA monetary system.

5. Agriculture

Guinea has a variety of ecological zones for diversified rainfed crop production, irrigated agriculture, cattle raising and forestry production. There is a thriving livestock industry and potential for timber production. The production of roundwood is estimated at some 3 million cu. m. per year. There are plans for an integrated forestry enterprise to produce wood and wood pulp. Agricultural products - coffee, pineaple, banans, palm oil, mangoes, quinine, spices, timber - provided 76% of export before independence (in 1958). Although the sector accounts for about 82% employment, it has been reduced to subsistence farming that cannot feed the cities and much less export. The poor performance has been attributed to:

(1) Abandonment of plantations by expatriate farmers;
(2) Conversion of export crops to food crops because of lack of price incentives to export;
(3) Loss of external markets;

---

* Current reports show that the syli has been devalued (on 7/10/85) from 2.76 sylis = FFI to 36 sylis + FFI. As at 16/10/85, 23.27 sylis = US$1.

(4) Inefficient marketing boards.

(5) Lack of inputs (fertilizers, seeds, chemicals);

(6) Poor management.

Under Sekou Toure, agricultural production was by collective agricultural units (FAPAs), with Local Revolutionary Powers (PRLs) controlling tractor and oxen units and directing marketing. Low producer prices, input shortages, controls on marketing, increasing transport problems and a production tax reduced the incentive for independent producers to supply the market. Large scale smuggling of crops into neighbouring countries, where higher prices were obtainable and produce could be exchanged for goods unavailable in Guinea, persisted.

The new military Government is giving agriculture central priority in its economic programme. It has:

(i) Abolished PPLs and FAPAs;

(ii) Increased producer prices;

(iii) Abolished production tax; and

(iv) Drawn up plans to seek foreign investment to revive production of plantation crops.

6. Mining

This is the most dynamic sector. It accounts for about 25% of the GDP as well as for almost all recorded export earnings.

Guinea's high grade bauxite is one-third of the world's known reserves. Output by Friguia, the state mining company, stands at about 1.5 million tons a year. Friguia also processes its output into alumina, estimated at 600,000 tons in 1983. Output at Boke complex mined by the Compagnie des Bauxites de Guinee (CBG), is about 8 million tonnes a year. Debele Mine, owned by the Office des Bauxites de Guinee, a Government corporation, has a capacity of 2.5 million tons a year. Further bauxite projects are planned.

Another important mining project is the Mifergui, a 50:50 partnership with the Nigerian Government. It will exploit the Mount Nimba iron ore deposits near the Liberian border.

Small-scale production of diamonds has been undertaken for years. In 1984 a major new diamond mine, operated by Arer, owned 50% by Guinean government, started production. Output of 25[illegible]0 carats was expected.

7. Manufacturing

The manufacturing sector is small, accounting for only 3.5% of the GDP in 1982. Most plants are state - controlled and were established to meet domestic demand. Operations include plants for processing agricultural products and for production of relatively low value or simple products for domestic market. Major plants are textile, sugar, plastic goods, food processing units, clinker grinding facility and lubricants facility. Capacity is chronically underutilized because of equipment failures, shortages of raw materials, poor management and labour skills and inadequate domestic purchasing power. Guinea, however is in the process of redefining its industrial policy.

8. Industrial Policy and Strategy

The five-year Development Plan*, 1981-1985, stipulates that within the industrial sector, emphasis will be put on the improvement of management, the utilization of installed capacities and the renovation of existing units. Also in the process of developing food-processing industries, value will be put on local raw materials and the creation of new employment in industry. Moreover, steps will be taken to create the necessary incentives and encouragement conducive to the development of small- and medium-scale enterprises. A number of sectoral studies are presently being undertaken. Institutional changes, beginning with the establishment of a Department of Industrial Planning, are currently being introduced to revitalize the private sector. Meanwhile, an Interim Plan (1985/1987) has been adopted.

9. Industrial Promotion:

The set of investment incentives offered by the Government of Guinea to investors in priority sectors of the economy, including the industrial sector, is incorporated in the Act, instituting an investment code.

---

* Plan has effectively been superseded by the recovery programme being drawn up by the new Government with the IMF.

Priority enterprises benefitting from specific advantages under the Code are:

(1) Mining industries concerned with extraction or enrichment, or processing of mineral substances;

(2) Industrial enterprises concerned with mechanical or chemical preparation and processing;

(3) Industries connected with manufacturing and assembly of consumer goods in demand;

(4) Agricultural and rural development enterprises;

(5) Transport and public works enterprises; and

(6) Building and hotel ventures

10. Investment Possibilities

(a) Infrastructural:

The development and exploitation of local energy potential to meet the requirements of Guinea, Liberia, Sierra Leone, Ivory Coast and Mali.

(b) Manufacturing

The development of a Pharmaceutical Production complex using local ingredients;

A fruits and vegetables processing complex

(3) Industries connected with manufacturing and assembly of consumer goods in demand;

(4) Agricultural and rural development enterprises;

(5) Transport and public works enterprises; and

(6) Building and hotel ventures.

COUNTRY REPORT

VI SIERRA LEONE

1. Sierra Leone's population in 1983 was estimated at 3.7 million (with an annual growth of 2-2.3%). It is a member of the Economic Community of the West African States (ECOWAS), the Manu River Union (MRU) and four other Intergovernmental Organizations in the Subregion.

2. Resources

Sierra Leone has rich mineral resources. These include diamonds, bauxite, iron ore, rutile and gold. Deposits of platinum, molybdenum and lignite have been reported. The agricultural products include coffee, cocoa, ginger, palm oil, rubber and rice.

3. Infrastructure

Infrastructure is most inadequate. Two principal problems have been identified:

(1) poor state of most of the infrastructures (electric power, water supply systems, roads and public buildings) due to lack of maintenance, and

(2) Large operational losses resulting from poor management in the parastatals.

Power supplies in towns are inadequate and erratic; stoppages are frequent and prolonged. The principal difficulty is shortage of fuel. Subject to the availability of funds, the Government plans to reduce dependence on imported fuel by developing renewable and alternative sources of energy, particularly the nation's hydroelectric power potential. A 4 mw hydro-electric station at Goma is under construction. Considerable preparatory work has been done at Bumbuna Hydro-electric Project, the first phase of which will generate 67 mw. Inadequate road communication in the rural areas and extreme deficiency of vehicles for transport of both goods and people are very pressing problems. Transport costs are therefore very high.

A second port is proposed for Sulima some 241 km from Freetown. It will reduce road haulage of the crops at present exported from Freetown.

Telecommunications services suffer from both inadequate capacity to meet the present low demand and operational efficiency. These are attributed to out-dated over-loaded equipment. A project is being initiated to expand capacity and modernise the telecommunications network. There are plans to improve rural telecommunications and the national telex system and to strengthen training facilities for technicians. Management reforms will centre on the creations of the National Telecommunications Company to operate telecommunications services (both internally and externally) on a commercial basis. These are all well-considered proposals on paper; the prospects of finding the funds to implement them appear remote.

4. The Economy

The main exports of Sierra Leone are diamonds, rutile, bauxite, gold, iron ore, coffee and cocoa. The GDP at current factor cost in 1983 was estimated at US $1524 million. At current market prices, the GDP was US $1591 million. Based on current market prices, the GDP per capita was $430. For over a decade, the GDP has been growing nearly at 5% every year. A sharp turnaround in this was brought by:

- (1) Rising oil price changes. The industrial and mining sectors account for over 60% of the nation's energy use in the form of oil.
- (2) Deplétion of alluvial diamond deposits; and
- (3) Falling world prices for iron ore and diamonds.

These factors have led to:

- (1) Decline in export earnings;
- (2) Deteriorating terms of trade;
- (3) Balance of payments deficits (current account deficit in 1982 was $170 million);
- (4) Fall in foreign exchange reserves; and
- (5) Rise in external debts (about SDR470 million in June 1984).

For an economy recovery, the Government sought for and obtained an IMF loan. A standby-facility of US $50 million (SDR 50.2 million) was provided. The currency, the leone, was devalued from Le1.5 = $ to Le2.5 = $1 in July 1983. Produce prices of certain crops - maize, rice, etc. - were raised. In 1984, budget deficit was cut by 10% tax thresholds were raised and foreign

financing dropped by a third. Further devaluation of the leone to Le6.00 = $1 took place on 21st February 1985.

5. Agriculture

Agriculture accounts for 65% of employment. (Farm labour - young adult men - is, however, scarce because of its low social status. It provides about 25% of the country's export earnings in the form of cocoa, coffee, ginger and palm oil, and contributes over 30% to the GDP. Until late 1970s, Sierra Leone was self-sufficient in rice the staple food. Now about 20% of this is imported.

Problems. The sector is beset by the following problems:

- (1) Drought
- (2) Smuggling (probably as a result of the country's chronic shortage of foreign exchange);
- (3) Low producer prices; and
- (4) External demand factors. In case of coffee and cocoa, Sierra Leone like other African countries has to comply with the requirements of international agreements which have limited production in order to maintain prices.

6. Mining

The mining sector contributes about 8% to the GDP and provides over 70% of the country's foreign exchange earnings. It is the major employer of skilled and unskilled labour. Alluvial diamond and gold mining provide employment to large numbers. Opening of 2 new gold mines, each employing up to 1000 people, has been projected. This will bring the total of people employed in the sector to 12,000.

Export of diamonds is reported to have fallen by 57%. The drop has been attributed to increased smuggling and abuse of generous retention provisions, and reckless award of rights and concessions to foreign exploiters. The Marampa iron mines which were closed in 1975 re-opened only in 1982 with first export shipment for eight years taking place in February 1983. Iron output in 1983/84 was 417,000 tonnes compared with 64,000 tonnes in 1982/83. It is understood that ore production ceased again early in 1985. Improved market

conditions stimulated production of both bauxite and rutile. Sieromco's bauxite production rose from 35% to 701,400 tonnes in 1983/84. The Sierra Rutile Company resumed production in 1983/84, after a slump in world demand, reaching 66,200 tonnes in the first ten months compared with 23700 tonnes in the previous year. Gold export increased from 3,310 ounces in 1982/83 to 12,000 ounces in 1983/84.

Table 1 below shows export of mineral resources in 1984.

TABLE 1

Export of Minerals Resources (1984)

	Leone*	Volume
Diamond	139,075,078	497,579 carats
Rutile	55,088,831	82,488 tonnes
Bauxite	49,577,365	1,043,734 tonnes
Gold	16,839,655	29,838 ounces
Iron Ore	12,986,013	435,855 tonnes
Total	273,566,943	

Le 2.5 = US $1 as 1/8/84

7. Manufacturing

Industrialization has not progressed significantly in the last decade. Manufacturing industries include diamond cutting, oil refining, palm oil processing, cigarettes, beer, footwear, furniture, nails, confectionery, soap, canned fruit juice, paint, umbrellas, metal buckets and window frames. The sector contributes under 5% to the GDP and provides employment to about 10% of the labour force.

Constraints. The major constraints to industrialization include:

- (1) The general climate of economic stagnation;
- (2) Small domestic market of low purchasing power. This provides insufficient base of domestic turnover for most industrial concerns;

- (3) Inadequate infrastructure;
- (4) Rising cost of energy; and
- (5) Severe shortage of foreign exchange for imports of raw materials, equipment and spares. Shortage has paralysed industrial units, creating idle capacity and subsequently acute shortage of consumer goods and erratic price increases.

8. Industrial Policy and Strategy

Sierra Leone has had an import substitution strategy since 1961. Manufacturing industries, satisfying the consumer needs of the urban and rural elite, depend largely on imported inputs.

The import-substitution strategy has resulted in the following drawbacks:

- (1) Inefficient operation of manufacturing enterprises, which largely rely on imported inputs and sell at high prices, thus becoming uncompetitive at international markets;
- (2) Inability to develop indegenous raw materials on a large scale for local processing or manufacture before exporting;
- (3) The operation of capital-intensive production as opposed to the objective of promoting labour-intensive production methods; and
- (4) The existence of high effective rates of protection which distort the pattern of resource allocation within the economy.

In order to remove most, if not all, of these limitations, the National Development Plan and the Development of Industries Act seek to develop a new industrial strategy. Its salient points are:

- (i) Achievement of self-sufficiency in food;
- (ii) The Development of small-scale and rural industries using local raw materials. Such industries include palm oil processing, soap manufacture, rice milling and generation of energy from biomass;
- (iii) The establishment of export-oriented industries e.g. fruit canning and fish processing industries;

- (iv) The establishment and strengthening of inter-industry linkages through the promotion of agro-based manufacturing enterprises.
- (v) The establishment of import-substitution enterprises mainly to produce paper, sugar and certain processed food items, primarily to meet the requirements of the local market.
- (vi) Increased processing of indigenous minerals;
- (vii) Boosting of export earnings by:
  - (a) new agricultural development, e.g. sugar cane, rubber and pentadesma, and
  - (b) new products from the mines such as molybdenum, platinum and lignite;
- (viii) Expansion of the country's young tourist industry;
- (ix) Co-operation with other members of the Mano River Union in establishing viable large-scale manufacturing industries.

In addition to broad objectives outlined above, the Government aims at encouraging the development of indigenous entrepreneurship and the managerial and labour skills required for industrial development. Official initiative in the manufacturing sector would be limited to providing institutional support, e.g. credit for the operation of viable new ventures in specified areas or the promulgation of relevant industrial regulations.

9. Industrial Promotion

Most Government regulations, in particular those affecting the conduct of industrial operation and investment promotion, are contained in the Development of Industries Act, 1960. The important elements of this Act are concerned with organizing investment promotion activities to develop indigenous entrepreneurship, attract and maintain foreign and expatriate investment in industry, facilitate industrial growth in areas outside the main cities, promote export oriented activities and encourage the diversion of expatriate capital in particular from trade to industry. The Development of Industries Act 1983 has codified the incentives and guarantees provided by the Government for investors in industrial enterprises in the country. The establishments eligible for incentives and guarantees under the Act include:

- Resources-based industries designed to meet local demand;
- Building materials industries;
- Export-oriented industries partly based on imported materials and services.
- import-substitution industries with capacity to save or earn foreign exchange and produce value added greater than 30%.

The National Development Bank of Sierra Leone is the major institutional set-up for industrial development.

10 Investment Possibilities

(a) Infrastructural

(i) Development of the Sulima port

(ii) Innumerable road projects

(iii) The Bunbuna Hydro Electric Project

(b) Mining

Development of new mines including

(i) Molybdenum

(ii) Platinum

(iii) Lignite

(c) Industrial

(i) The National Workshop from the production of agricultural tools and implements, pumps household utensils etc.

(ii) Processing of rutiles for the paints industry;

(iii) Integrated Fish Production and complex (in collaboration with Mauritania, Senegal, MRU countries);

(iv) Various Clay Products particularly for the building industry.

COUNTRY REPORT

VI NIGER

1. Niger has a population of 6.3 million. It is a member of the Economic Community of the West African States (ECOWAS), the Economic Community of West Africa - Franc Zone (CEAO) and twenty three other Intergovernmental Organizations in the subregion.

2. Resources

Niger's major mineral resource is uranium. Reserves are estimated at 300,000 tonnes. Two major deposits of phosphates exist in Nigeria. The deposit in the southern part of the country (Tahoua) is much larger than that in Togo. Substantial (but poor in quality) coal deposits also exist. Some production of lime exists in Malbaza, 450 km from Niamey. It is the largest producer of cereals in the Sahel. Substantial salt deposits also exist. The principal commodities are millet and sorghum. There is also a thriving livestock industry.

The Economy

There has been no big investment as a result of austerity. Since mid-1983, Niger has been running an IMF-backed financial rationalization programme. Debts have been rescheduled twice through IMF support, in the form of confirmation agreements. This, it is expected, will help Niger to:

(1) curb its budget deficit,
(2) gradually free prices, by reducing subsidies,
(3) put an end to the Niger Food Board's millet and sorghum monopoly, and
(4) reorganize the 50 or so other state and mixed organizations and companies.

It is expected that a structural adjustment loan from the World Bank will help with this policy.

4. Agriculture

The outputs of millet and sorghum increased encouragingly from 1.60 m tonnes in 1982 to 1.69 m tonnes in 1983. Despite such increase, there has been a deficit in food requirements. This has been attributed to the following:

(1) drought;
(2) population explosion (a 2.8% increase every year is reported);
(3) all potential arable land has been used up, (agriculture only uses 3% of the vast territory);
(4) deterioration of the soil due to over-exploitation of the land and absence of fallow periods;
(5) drop in yields; and
(6) increasing fight for land for farming and herding.

Satellite photographs [1/] showed, up to mid-September 1984, sparse and erratic rainfall in Niger. It is reported that the outlook for the 1984/85 sorghum and millet crops is extremely disquieting, following inadequate rainfall which came too late. Output, it is estimated, will be about 40% below 1983/84 level.

To ensure regular supply of food, the government set up cereals reserves throughout the country. The policy is a two-tier one involving:

(1) developing agricultural production,
(2) implementing a coherent cereal marketing policy, setting up and managing buffer stocks (in case of shortage) and stabilizing the situation (with reserves that can be mobilized each year to stabilize the price to the consumer).

5. Mining

Uranium output in 1983 was 3,404 tonnes. The mining sector represents 80% of export trade and accounts for 9.32% of the GDP. The production of uranium has been adversely affected due to low demand in industrialised countries. The Government is seeking new exports outlets.

1/ ECA, Survey of Economic and Social Conditions in Africa, 1983-84, (E/ECA/CM.11/16, April 1985), p/59.

The International Fertilizer Development Centre (IFDC) in collaboration with INCRISAT (a Graines Research Centre based in Niamey), carried out a Feasibility study on the exploitation of the rich phosphate deposits in the country and the establishment of a Phosphate Fertilizer Plant. The study was financed by USAID. Apart from the excellent viability of the Project, it is interesting to note from the Study that crops in the Sahelian region respond more to phosphate fertilizer and respond relatively little to ammonia. On the other hand, the southern part of the subregion respond more to nitrogenous fertilizers.

6. Problems

The major problems (as in most Sahelian countries), are:

(i) Drought and Desertification

Desertification has been made worse by the rampant depletion of wood as the main source of energy. A possible way out of this problem is to mine the coal deposits in spite of the poor quality, for use for fire-woods and as a means of fostering the current afforestation programme.

(ii) Extremely poor infrastructure

There are no railways and access to the hinterland and the coastal ports are expesive and time consuming. Proposals for the construction of a railway line between Niamey and Parakon or between Niamey and Nigeria have been estimated at not less that US$800 million each. It has however been impossible to raise this amount internally or externally.

(iii) Inadequate sources of energy

A number of studies have been carried out on the use of solar energy and the development of hydro-dams; but the costs have also been found to be unbearable. That apart, the studies show that energy from these sources will not be cheaper than that presently obtained from Kainji in Nigeria.

The effect of all these problems on industrialization is that innumerable feasibility studies on new industrial projects have invariably indicated their non-viability.

7. Plan

A new 5-year development (to succeed the Interim Consolidation Programme, PIC, covering 1984 and 1985), is being devised. The plan will include such features or ideas as:

(1) Making existing infrastructure profitable;
(2) Getting the private sector involved in the investment drive;
(3) Stressing the directly productive sectors and agriculture first and foremost.

8. Investment Possibilities

(a) Infrastructure

(i) the construction of a railway line to Benin or Nigeria,
(ii) Medium scale exploitation of coal deposits as a source of domestic fuel.

(b) Industrial

(i) Establishment of a Phosphate Fertilizer Plant to cater for the Sahelian including the Northern Nigerian market,
(ii) Establishment of a salt factory.

COUNTRY REPORT
VII LIBERIA

1. Liberia has an estimated population of 2.0 million (in 1983). It is a member of the Economic Community of the West African States (ECOWAS) and, with Sierra Leone and Guinea, the Mano River Union (MRU), and three other Intergovernmental Oganizations in the subregion.

2. Resources

Liberia is richly endowed with natural resources. The range is enormous and embraces a variety of forest products, minerals and agro-based raw materials. The mineral resources include iron ore, diamonds, gold, kaoline, quartz and ilmenite. There is a wide range of cash crops such as rubber, timber, palm oil, coconut cocoa and coffee.

3. The Economy

The GDP at current factor cost in 1983 was estimated at US $1008 million, and the GDP at current market prices at US $1,147 million. Based on current market prices, the GDP per capita was US $574.

The economy of Liberia is heavily dominated by mining, rubber production forestry. The major exports are iron ore and rubber; iron ore provides over 50% of the foreign exchange earnings. Other exports include timber, diamonds, coffee and cocoa. Liberia is the World's largest maritime country insense that it has a total registered merchant tonnage of about 60 million tons of flagsof open registry. The registration brings in about $22-23 million every year. In fact, in 1984, it accounted for 15-16% of the gross national revenue.

At present, the economy is facing a crisis. This has been attributed to the fall in export revenues of iron ore; current economic recession in developed iron ore-consuming countries which has led to a fall in demand for iron ore. Challenges facing the economy include:

(i) balance of payments deficits,
(ii) deterioration in terms of trade,

(iii) lack of foreign exchange earnings,

(iv) rising external debt,

(v) lack of incentives to farmers to produce more food, and

(vi) decline in keystone industries, including debt incurred by them.

4. Agriculture

The agricultural sector in Liberia is organised on commercial as well as on traditional lines. Commercial agriculture is based largely on concession agreements between the Government and foreign private investors who grow mainly rubber on large scale plantations. Traditional agriculture (on which the majority of the population depends for their livelihood) is organised on small-scale farm holdings on which are grown food crops. Over 80% of the population is engaged in agriculture. The sector contributes about 30% to the GDP.

Rubber production accounts for about 17% of export earnings. The Liberian rubber tree is disease-free and has a long life; it can be tapped for about 25 years. It can therefore be more profitably produced than Malaysian or Brazilian rubber. Exploitation of forestry resources (timber) accounts for about 7% of export earnings.

Rice is the staple food and the most widely grown crop. Output, however, is supplemented with imports to meet local demand. For example, rice production is estimated to have increased from 137,000 tonnes in 1982 to 144,700 tonnes in 1983. Since national consumption is estimated at 237,700 tonnes, imports of 93,000 tonnes were estimated to be required in 1984.

5. Mining

This is a very important sector of the economy. It accounts for about 15% of the GDP. Iron ore mining is the most dominant activity. It contributes about 25% to the GDP. In 1982, it accounted for 63.2% of export earnings. However, production fell almost continuously from 25.3 million tonnes in 1974 to 16 million tonnes in 1983, causing considerable loss of export earnings and rendering mining operations uneconomic. Depressed demand and a supply glut are not likely to encourage investments in new sites.

6. Problems of the mining sector. The mining sector is:

(i) largely undeveloped

(ii) confined to the primary stage of production;

(iii) export-oriented, and

(iv) has no domestic linkages to the manufacturing sector;

Other constraints include:

(i) slackening of demand for iron ore;

(ii) fall in prices of iron ore (20% in 1983, 5% in 1984);

(iii) lack of essential inputs and important spare parts; and

(iv) difficult operating conditions (for the iron ore) which include:

(a) high production costs due to increases in oil prices, and

(b) strong competition from large producers such as Australia and Brazil.

7. Manufacturing

The manufacturing sector in Liberia is small; it accounts for about 5% of the GDP. The main activities in this sector include grain milling, bakeries, distilleries, tobacco, textiles and petroleum refinery. Refining of petroleum products is the most dominant industrial activity in Liberia.

Performance of the manufacturing sector, with capacity utilisation well below 50%, is declining. The sector is heavily dependent on imported inputs and foreign capital and management.

Constraints: Constraints to industrial growth include:

(i) small home market,

(ii) lack of foreign exchange,

(iii) poor infrastructure and

(iv) untrained labour.

8. Industrial Policy and Strategy

Liberia has long relied on import substitution strategy. This has resulted in an industrial structure increasingly dependent on imported inputs such as expertise, capital goods, intermediate products, spare parts and other essential supplies.

Recognizing the limitation of this strategy, especially in the light of scarcity of foreign exchange and small domestic market, the Liberian Government now seeks a change in the long-term development strategy of the industrial sector. The new strategy is primarily geared towards the processing of domestic raw materials for export, instead of production, using imported inputs, for domestic market.

For the manufacturing sector, the strategies include:

- maximum processing of local raw materials;
- production or assembly of goods for export; and
- encouragement of small-scale industry.

It is envisaged that the exploitation of the vast local raw materials would lead to the formation of a broad industrial base .

The Liberian Industrial Free Zone Authority (LIFZA) was established to serve as the focal point for industries geared to process in-bound imported raw materials into finished products for the export market. The long-term objective of the Authority is to encourage the utilisation of indigenous raw materials. The Investment Incentive Code has been reviewed to include special incentives and additional benefits for small and medium enterprises owned by Liberians. Liberia's industrial policy is an " en door" one. It seeks to encourage the establishment and expansion of industrial activities which:

- (i) utilize, to the highest possible extent, Liberian manpower at all levels and contribute to advancing their skills through training schemes (on-the-job and otherwise);
- (ii) utilize raw materials and products of Liberian origin to the maximum possible extent;
- (iii) utilize, to a maximum extent, ancillary activities available in the productive and service sectors of Liberia.
- (iv) contribute to making Liberia independent of importation of basic necessities as far as it is economically feasible;
- (v) contribute to the expansion and diversification of Liberia's exports; and
- (vi) contribute to a wholesome distribution of employment opportunities all over the country.

9. Industrial Promotion

To promote industrialisation, the Liberian Government created the necessary institutional infrastructures. These are:

(1) the National Investment Commission (NIC); and
(2) the Small Enterprises Financial Organisation (SEFO).

Business Advisory Service (BAS), a USAID arrangement, was established in 1984. It is geared to assist small and medium enterprises. It is intended to assist SEFO, including providing promotional and advisory services to SEFO's clients.

The institutional set-up is supported by a Government Credit Guarantee Scheme which gave protection against losses to banks that provide loans to Liberians for agricutural and industrial activities.

COUNTRY REPORT - VIII MALI

Mali is a vast, landlocked country; it has an area of 1,240,190 km^2. Its population as at 1983 was 7.175 million. Bamako (500,000 inhabitants) is the capital. Other major towns are Mopti (54,000), Segou (65,000, Kayes (45,000) and Sikasso (47,000). Mali is a member of the Economic Community of the West African States (ECOWAS), the Economic Community of West Africa - Franc zone (CEAO), and about 15 other inter-governmental Organisations (IGOs).

Resources

Mali's economy is based on agriculture. Cotton, oil seeds and groundnut are grown. Livestock is the biggest export. Mineral resources include gold, phosphate and salt. Iron ore and bauxite deposits have been found recently.

Infrastructure

All petroleum products are imported. Until recently, the country depended entirely on thermal power to generate electricity, but hydroelectric resources are becoming important. The

Selingue dam, located on the Sankarani river, has a 42.8 MW capacity hydroelectric plant, producing about 200 GWh. Manantali dam will make further large addition to capacity; the power station will have five turbines of a nominal 40 MW each. There are efforts to use solar power units (photovoltaic cells) to produce electricity.

Communications are generally very poor, given a large land area and a scattered population. Most roads are not tarred and many are impassable in the wet season. There are about 19,000 km of classified roads, of which 7,500 km are all-weather but less than 2000 km are tarred. There is a main railway line from Bamako to Dakar (total length 1,286 km, of which 645 km in Mali). There is an international airport at Bamako.

About 10,000 telephones were estimated to be in use in 1982, of which more than half were in Bamako.

The Economy

The Gross Domestic Product (GDP) at current factor cost in 1983 was $1,009 million. At current market price, the GDP was

$1076 million. With a GNP per capita of $160 in 1983, Mali is regarded as one of the poorest countries in the world.

Difficulties facing the Malian economy include food shortages, balance of payments and budget deficits, and considerable debt burden. All these have been attributed to the prolonged drought, international economic crisis, slump in the price of cotton and soaring prices of oil, fertilizer and imports. There are also internal problems related to the organization and efficiency of the state bodies and companies.

Current economic policies are heavily influenced by the conditions set down by the IMF, the World Bank, France and other lending agencies. The major objectives are:

1. an improvement in management of government operations (particularly the management of the 30 state companies, which recorded losses totalling MF*9.8 billion in 1982),
2. increased self sufficiency in food supplies,
3. a higher level of domestic savings, and
4. a reduction in budget and external deficits.

---

* MF 657.24 = US $1 as at 1982. Mali's currency is now the CFA franc; Mali rejoined UMOA in June 1984 at the rate MF 2 = CFAF 1

The current economic plan covers the five years from 1981 to 1985. Its broad objectives include:

(1) development of water supplies;

(2) progress towards the achievement of self sufficiency in food supplies by 1990;

(3) internal and external communications;

(4) rebuilding of the livestock herd;

(5) action against desertification (preservation and reconstitution of the country's forest cover);

(6) development of human, health, social and cultural resources;

(7) restoration of the nation's economic and financial balance; and

(8) continued progress in reform of state companies, which employ 150,000 people and account for some 60% of the economic activity in the advanced sector of the economy.

Agriculture

The agricultural sector (including livestock raising and fishing) accounts for 73% of the labour force and for 42% of the GDP. The main food crops are sorghum, millet, rice and maize,

while cotton, groundnuts, tobacco and shea nuts are grown as cash crops.

Since the early 1970s, Mali has had to import a substantial portion of its food requirements. This situation has been attributed to:

(1) growing urbanisation,

(2) persistent drought,

(3) failures of institutions,

(4) Lack of price incentives and

(5) inefficiencies in the supply of agricultural imports and marketing of produce. *

---

* The Courier, March - April 1984, no 84.

Livestock production accounts for about 20% of the GDP. Livestock products normally constitute the country's second most important export, after cotton and cotton products. The livestock population (estimated to include 5.8 million cattle, 11.5 million sheep and goats, and 300,000 camels) has suffered from the prolonged drought.

Fishing activity has also been adversely affected by years of drought. The sector accounts for about 3% of the GDP and some 200,000 people are engaged in production and marketing. Annual national catch is estimated to be about 95,000 tonnes. Fish products are one of the country's four most significant sources of export revenue with dried and smoked fish sales to neighbouring countries accounting for much of such fish exports.

Agricultural strategy. A major element of the government's agricultural sector strategy has been to create zones, administered by special agencies, to develop production of specific crops, notably cotton, sugar and rice. The most important of these are Mali-sud and the Office du Niger.

Table 2 shows major export commodities.

Table 2

Major export commodities

	CFAF* billion	
	1982	1983
Cotton and cotton products	18.6	28.0
Livestock	17.1	22.0
Shea nuts	2.4	1.0
Groundnut products	0.9	0.7
Hides and skins	0.6	0.5
Fish	0.8	-

Sources: Banque Centrale du Mali

EIU: Quarterly Economic Review, 1984

Mining

Mali's landlocked position and lack of infrastructure provide constraints to development of mineral resources. Gold which has been a feature of Malian exports for centuries is produced by artisanal miners. Commercial scale production of gold is expected soon with the opening of the Kalana gold mine, about 200 km south of Bamako. Output will rise from an initial 400 kg a year to about 1,800 kg a year.

* CFAF 328.62 = US $1 as at 1982
CFAF 381.07 = US $1 as at 1983

The domestic market absorbs the little output of phosphates (which was expected to reach 120,000 tonnes in 1985) and salt.

There is prospecting for diamonds in the Kenieba area. Other minerals being studied are uranium, manganese, phosphates, lithium and chrome. Owing to transport problems and market conditions, prospects for early development of two iron deposits in the south-west, near the Senegalese border, appear limited.

Manufacturing

The manufacturing sector accounts for about 5% of the GDP. The sector is characterized by a dominance of state owned enterprises, or companies with state participation, and of activities involving the processing of agricultural products. In addition, there are some mainly privately owned enterprises, smaller in scale, that are principally involved in import substitution activities. Most industry is concentrated in Bamako.

The leading branch of the sector is the food processing sub-sector. Operations include the three oilseed processing plants, rice hulling units, sugar mills and refineries, a fruit and vegetable canning plant, a modern abattoir and a tannery,

beer and soft drink plants, flour milling and baking plants, and a shea nut processing plant.

The second most significant sub-sector involves transformation of cotton, textile and clothing production. There are two main textile enterprises; Comatex and Itema. While Mali exports raw cotton, the domestic market absorbs almost all textile output.

Other lending units of the sector include a cement plant, a pharmaceutical factory, a cigarette factory and metalworking units, including a bicycle assembly plant.

Under the government's current economic programme, the state companies are being rationalized, to reduce the burden their losses impose on the government budget. It is planned that:

(1) bank credit would only be given for the legitimate needs of their activities,

(2) firms considered as non-strategic would be opened to private shareholders, and

(3) unviable firms would be simply closed down.

However, private participation has met with little success to date.

Problems. With most of the major enterprises being involved in processing agricultural products, a lack of adequate raw materials has been a recurrent problem of many firms. Another problem is poor management. Companies are also affected by a lack of imported inputs and by an inability to compete successfully with imported finished goods.

Policy. The government is about to produce a new investment code. The code is expected to:

- offer greater incentives,
- put emphasis on creating jobs,
- encourage processing indigenous raw materials, and
- introduce geographical decentralization.

COUNTRY REPORT - IX MAURITANIA

Mauritania's population in 1983 was 1.629 million. Nouakchott (350,000 people) is the capital. Mauritania is a member of the Economic Community of West African States (ECOWAS), the Economic Community of West Africa (CEAO) and about ten other inter-governmental organisations.

Resources

The economy is based mainly on agriculture and livestock farming. The principal agricultural products are millet and sorghum, dates, rice and maize. The Mauritanian coast is one of the richest in fish and other sea foods in the world. The main mineral resource is iron ore. Other mineral deposits include copper, gypsum and phosphate.

Infrastructure

All petroleum products are imported, and the country has virtually no indigenous energy resources. Installed electricity generating capacity in 1983 was 62 MW, and electricity consumption was 66 million kWh. The country is completely dependent on thermal, oil fuelled, generating plant for electricity production.

Communications are very poor. There are some 8,000 km of low quality roads; 1,500 km are tarred. The most important road project is the 1,100 km Trans-Mauritania highway, linking Nouakchott with the remote south eastern part of the country. The only railway line runs for 652 km from F'Derick to Nouadhibou and was built to transport iron ore from the Cominor (formally Miferma) mines.

The Senegal river can be used for transport throughout the year over 220 km of its length. The port at Nouadhibou handles iron ore exports. There is a wharf at Nouakchott and a deep water harbour is being built there. There are two airports at Nouadhibou and Nouakchott.

About 10,000 telephones are in use. There are radio and television services. The only daily newspaper, 'Chaab', is government-owned.

The Economy

The Gross Domestic Product (GDP) at current factor cost in 1983 was $715 million. At current market prices, it was $815 million. Based on the current market prices, the GDP per capita

in 1983 was $500. (GNP per capita amounted to $480).

In the early 1960s, Mauritania's economy was almost entirely rural and traditional, based on livestock raising and, to a lesser extent, on agriculture. The begining of the 1970s saw a rapid transformation; the iron ore mining industry, for which considerable new infrastructure was developed, started and increased its exports, generating foreign exchange income and government revenue.

The apparent economic success was shortlived. With the onset of drought in the early 1970s, the economy's stability deteriorated. Continued drought during much of the last ten years, the weakness of the international market for iron ore, the costs of the Western Sahara war and financial burdens arising from poorly conceived investments have left the economy in a state of crisis during the last few years.

The economic crisis led to the International Monetary Fund (IMF), and the World Bank being invited to help correct the imbalance that had accumulated. Since 1978 these agencies have oversea programmes to reschedule external debts, establish budgetary controls and overhaul public investments.

While progress has been made, the further deterioration of the iron ore export market and the persistent drought have brought serious setbacks. The government, it is reported, has been reluctant to apply in full the measures recommended by the IMF, particularly, to carry out a large devaluation.

The new government of President Maaouiya Taya has approved an economic and financial programme covering 1985 - 1988 to fight the imbalance in the economy. The budget deficit reached 4.085 billion Ouguiya* ($61.41 million) in 1984 and the balance of payments deficit a staggering 13 billion Ouguiya ($195.43 million). The deterioration was said to be due to:

- the huge size of external debts which reached $1.7 billion at the end of 1984;
- the fast growth of imports; and
- the decline in exports because of the continuing drought and economic crisis.

---

* 66.52 Ouguiva = US $1 as at September, 1984

Agriculture

Given the country's aridity, agricultural production potential is limited. Only 0.2% of the land is used for arable production, with almost all such land being concentrated in the southermost portion of the country, along the Senegal river. Agricultural production contributes only about 3% to to the GDP. Apart from millet and sorghum, dates, rice and maize, Gum arabic is also produced for export, (but production has dwindled).

Table 1 shows production of main food crops.

Table 1

Production of Main Food Crops

	x'000 tonnes	
	1981/82	1982/83
Millet and Sorghum	66.1	7.8
Rice (paddy)	11.1	14.8
Maize	5.2	3.4
Dates	12.0	-

Source: Banque Central de Mauritanie

The persistent drought and attacks by pests contributed to crop losses.

The raising of livestock has traditionally been of much greater importance than agricultural production. It contributes about 25% to the GDP. Livestock raising has suffered even more from persistent drought, which has destroyed or reduced pastures, and has eliminated watering points. The livestock population in 1982 is estimated to have included 1.2 million cattle, 6.7 million sheep and goats and 800,000 camels.

Fishing accounts for about 5% of the GDP and is one of the country's most significant foreign exchange earner. Recorded exports of fish products reached 179,900 tonnes in 1982 and 312,100 tonnes in 1983 but the volume of fishing in Mauritanian waters is substantially above these levels; there are frequent reports of illegal fishing.

Mining

The mining industry accounted for about 8% of GDP in 1982. It is the main foreign exchange earner, with iron ore being the major mineral resource. With the worldwide oversupply

of iron ore, exports fell sharply in 1982, and remained flat in 1983, (see table 2), with unit prices weakening.

Table 2

Iron Ore Production and Export

x'000 tonnes

	1981	1982	1983
Production	8,473	7,645	7,402
Exports	8,882	7,449	7,424

Source: Banque Centrale de Mauritanie

Copper was produced at Akjoujt from 1970 to 1978. There are plans to revive mining there.

Gypsum was produced at Sebkha Dramcha near Nouakchott, from 1973 to 1981. Production was scheduled to resume by the end of 1984 with an increased output of about 120,000 tonnes a year.

A phosphate deposit has been identified at Bofal, near the Senegal river. Plans for its exploitation are yet to be concluded.

Manufacturing

The manufacturing sector is small, accounting for about 7% of the GDP in 1982. In the early 1970s, the industrial policy favoured development of some large scale, capital intensive projects. These included an oil refinery (with a capacity of 1 million tonnes a year against domestic consumption of 300,000 tonnes), and a sugar processing plant. There is a small steel rolling mill in Nouadhibou. Fish processing units are available also at Nouadhibou. Other plants include factories for production of processed foods, packaging materials, household necessities, shoes and clothing. Policy during this period emphasised the dominant role of the state.

In March 1979, a new investment code was approved, giving new emphasis to the role of private investment. The code encourages investment in "priority" areas, mainly those based on processing domestic resources (minerals, fish). The code provides for tax exonerations for up to twelve years on exports, raw material imports and reinvested profits. Special provisions are made for small and medium scale enterprises of Mauritanian nationals.

COUNTRY REPORT - X NIGERIA

Nigeria's population in 1984 was estimated at 97 million. Nigeria is a member of the Economic Community of the West African States (ECOWAS).

Resources

Nigeria is the leading producer of oil in Africa. It has also vast deposits of natural gas. Other mineral resources include tin, columbite, coal, clay, limestone, barytes, gypsum and iron ore. The principal cash crops are cocoa, cotton, groundnuts, palm oil, and rubber. Cattle farming is predominant in the north.

Infrastructure

Although infrastructure has expanded considerably, it is considered inadequate. There are presently five main power stations - Kainji, Sapele, Delta, Afam and Ijora - with an installed capacity of 2852 mw. Generating capacity now is some 1200 mw. A rehabilitation programme to increase this to 1600 mw began in 1984. The Egbin Thermal Power Station - a fuel and gas electricity-generating plant - at Egbin near Ikorodu has long been

completed. It has six plants of 220 mw each, generating 1320 mw. The first plant went into operation in April 1985. Test runs on the second and the third plants have begun. The nation is also exploiting her abundant hydroelectric potential. Almost completed is the 600 mw hydroelectric scheme at Shiroro, Niger State.

Transport infrastructure, particularly roads and ports, has expanded considerably. The main sea ports are Lagos Port Complex, Tin Can Island, Port Harcourt, Calabar and Warri. There are International airports at Lagos, Port Harcourt and Kano. There is a telephone network and a telex system, mainly in Lagos and the major towns.

The Economy

Prior to the 1970s, the major exports of Nigeria were oil, tin, columbite, coal, cocoa, palm oil, palm kernels, cotton, groundnuts, rubber and timber. Overall output in agriculture remained virtually stagnant during the 1970-82 period, with the production of export crops declining substantially. Groundnut exports virtually collapsed in the early 1970s, especially as a

result of the 1972/73 Sahellian drought. Today, Nigeria relies heavily on crude oil for over 90% of its foreign exchange earnings.

The GDP at current factor cost in 1983 was estimated at ₦64,314 million. At current market prices, the GDP was ₦65,760 million. Based on current market prices, the GDP per capita was ₦764. (The GNP per capita as estimated by the World Bank in 1983 was ₦770). Impressive as these figures may be, comparative figures of the previous years reveal a decline, and the underlying crisis. (GDP at current factor cost in 1981 was ₦78.2bn).

The economic crisis can be attributed to the decline in oil export revenues. Oil export revenues declined from ₦23.4 billion in 1980 to ₦17.4 billion in 1981 to only ₦10.768 billion in 1983.+ Imports hit a hight of ₦24.2 billion in 1981, resulting in current account deficit of ₦6.5 billion. This deficit was financed largely by the drawing down of foreign exchange reserves and external borrowing. The Government was thus confronted by a worsening balance of payments situation. It reacted in April 1982 by introducing a number of austerity measures in order to stabilize the

---

+ Oil revenue in 1985 has further declined by about 40%.

domestic and the external situations. The measures however, achieved little since:

(a) imports declined just marginally,

(b) current account deficit widened (₦7.7 billion),

(c) reserves declined (to ₦1.4 billion by end of 1982), and trade payment arrears accumulated (₦4 billion). Owing to quantitative restrictions and the reluctance of the trading partners to extend further credits to Nigeria, import level reduced further in 1983. This again was financed by more accumulation of trade payment arrears of ₦3.8 billion. The deterioration in the external financial situation had a serious impact on the fiscal position of the Federal and State governments; resulting in huge budget deficits.

To redress the situation, the Federal Government in 1983 sought a 3-year extended fund facility of ₦2.5 billion from the IMF. Talks with the IMF about thef facility has remained stalled since last year, following Nigeria's reluctance to implement the three outstanding conditionalities - devaluation or exchange-rate adjustment of the naira, withdrawal of subsidy on domestic petrol prices and trade liberalisation. Meanwhile, in order to get the balance of payments

situation under control and to accomodate projected increase in debt service, the Government in early 1984, imposed very strict limitations on imports through the use of an import licensing/ foreign exchange allocation scheme. Domestic expenditures were also cut. (These measures were reconfirmed in the 1985 budget). The measures resulted in:

- (1) further decreases in industrial production, construction and investment,
- (2) accelerated inflation (estimated at 37% in 1984), and
- (3) increased unemployment.

However, the fast decline in overall production was halted and the decline in GDP limited to about 1% in 1984 (compared with a fall of 4.4% in 1983). Shortage of foreign exchange remains a great constraint for production, imports and debt service. (Debt service for 1985 is put at 44%).

Agriculture

The agricultural sector accounts for about 80% of employment. This is however doubtful. It has been suggested that over 45% of that figure must have gone into distributive trade and other

services. It accounted for about 23% of the GDP in 1981. Prior to the 1970s, it was Nigeria's major source of foreign exchange earnings. But overall output is thought to have remained virtually stagnant during the 1970-82 period, with the production of export of food crops either stagnating or increasing at about the same rate as the population growth rate but the production of export crops declining substantially. Within a period of ten years, Nigeria became a major food importer (about $2,7 billion of imports in 1982). Groundnut exports, it is reported, collapsed in the early 1970s following the 1972/73 Sahellian drought. Nigeria is now a net importer of groundnuts (170,190 tonnes in 1980). Output of cotton in 1984/85 was 15,000 tonnes. 1985/86 output for cocoa is estimated at 25,000 tonnes.

Poor performance of agriculture has been attributed in part to deteriorating domestic terms of trade. Inflation and an appreciating domestic currency (the naira) pushed up domestic cost of production, thus putting the commodity producing sectors at a disadvantage vis-a-vis imports and non-traded goods. This

encouraged diversion of resources from commodity production to services (including trade and construction). Poor performance has also been attributed to:

- (1) Urban drift;
- (2) Drought;
- (3) Widespread outbreak of rinderpest and mealybug in 1983 which caused heavy losses of crops and livestock;
- (4) Low technology; agriculture is still largely in the hands of peasant farmers who operate small holdings and are heavily dependent on current rainfall and lack access to tractors, sophisticated irrigation tools, seed technology and adequate storage;
- (5) Benign neglect of agriculture by governments and individuals.

Agricultural policy. The Federal Government has formulated 'a new deal' for agriculture:

- (1) Credit increases for agriculture; commercial banks to give 12 per cent of their lending portfolio and merchant banks to give 6 per cent. Moratorium periods are to be made more generous on agricultural loans;

- (2) Under the rural banking programme a minimum 40% per cent of deposits in country areas should go to borrowers engaged in farming and food production;

- (3) River Basin and Rural Development Authorities to cease direct production and concentrate on extension services to farmers. Support services, including land clearance, supply of seed and fish stock to be improved. Infrastructure to be tackled, includes cold storage, dams, boreholes, rural roads, grazing reserves, fishing ports. Efficiency of existing facilities will be boosted;

- (4) Agricultural Investment Bureau to handle agribusiness trade and investment promotion will be better staffed and strengthened;

- (5) New comprehensive insurance scheme to protect crops from planting through to harvest and marketing;

- (6) Guarantee to repatriate profit by foreign investors in all legally entered agreements and joint-ventures.

Mining

Mining accounts for about 25% of the GDP. It is largely dominated by petroleum. Other major mineral resources are tin, columbite, coal, limestone, clay and iron ore.

Nigeria is the 7th largest producer of crude oil. It accounts for over 90% of the export earnings (92.4% in 1983) and 70% of the government revenue. Decline in oil exports revenues has led to the present economic crisis. Output fell by one-third from 2.06 million barrels per day in 1980 to 1.44 million barrels per day in 1981 and then to 1.23 million barrels per day in 1983. Current output as fixed by OPEC is 1.45 million barrels per day.

There are plans to develop the Itakpe iron mines to supply iron ore concentrate to the Ajaokuta Steel Plant.

Manufacturing

This is one of the more dynamic sectors. During 1973-82, the average annual growth rate of the sector was about 10% compared to an overall GDP rate of 4.4%. The share of manufacturing in the overall GDP (in constant 1977 prices) increased from about 4% in 1973 to about 8% in 1982.

The output structure of the sector is still characterised by the preponderance of light industries such as food, beverages (beer, soft drinks, etc), textiles, tobacco, footwear, soap and detergents and livestock feeds. Other industries include Cement, rubber, Tin metal, industrial chemicals (fertilizer, pesticides, etc) and chemical products, plastics, paints and allied products, glass and glass products, carpets, candles, safety matches and roofing sheets. There is now a shift to basic metal and engineering industries, ranging from metal furniture, fixtures and structural metal products to machine tools, iron and steel, motor vehicle assembly and petrochemical industries. Other vital industries includes house-hold electrical appliances, radio, television, air-conditioner and refrigerator plants, auto-parts, cable manufacturing, agricultural machinery and equipment and transport equipment.

Certain strategic industries have been reserved for direct public sector ownership and control. Such industries include petrochemicals; petroleum products exploitation, refining and distribution; fertilizer production; iron and steel; machine

tools; liquefied natural gas; cement production; and vehicle/car assembly plants. The output structure shows an almost total absence of the production of intermediate and capital goods, especially in the high technology areas.

With regard to the input structure, the manufacturing sector is at present dominated by assembly-type activities. Industrial cost are too high in relation to value-added. The import content of the manufacturing sector is still very high. On the average, over 60% of the raw materials is imported.

Problems. Increasing shortage of foreign exchange since 1981 has led to:

- (1) drastically reduced imports of industrial raw materials and spare parts;
- (2) widespread plant closures;
- (3) extensive retrenchment of the industrial workforce; and
- (4) a very substantial overall drop in manufacturing capacity utilization to an estimated 25-35% in 1984.

Stringent quantitative controls on imports have resulted in:

(a) a contraction of domestic supply of manufactures below the reduced level of domestic demand;

(b) a sharp rise in unit prices of manufactured goods reflecting increased unit production costs and scarcity;

(c) some substitution of imports by local production but at the cost of inefficiencies in resource use; and

(d) increased uncertainties and administrative costs to firms in importing raw materials and spares.

Industrial Policies and Strategies

Nigeria has used at various stages a combination of the following strategies:

- (1) Manufacture of simple goods for exports, e.g. textiles, leather, shoes;
- (2) Semi-processing of primary products, e.g. palm oil, cocoa butter, cocoa cake and cocoa powder; and
- (3) Import-substitution.

These strategies suffer some defects. The strategy of manufacturing simple goods for export entails heavy competition, especially from the more developed of the developing countries. Moreover, protectionism in the export markets affects such goods.

The semi-processing of primary products suffers from the low income earned. It also suffers from price elasticity of demand.

Moreover, the developed countries frequently prefer to process the primary products, unless the semi-processed goods are considerably higher in weight than the primary products.

The import-substitution strategy has created manufacturing industries that are heavily dependent on important inputs. Input costs are very high. The industries are major foreign exchange consumer. Linkage between the industries and the agricultural and other sectors of the economy is not there.

Among the fiscal policies designed to encourage the manufacturing sector is the pioneer status which includes a profit tax holiday of two to five years, depending on the amount of initial investment. Profit tax relief is granted to any company which among other things:

(a) shows signs of development;

(b) use local raw materials;

(c) Implement realistic plan for staff training and manpower development, particularly with respect to Nigerian personnel.

To encourage small enterprises, provision is also made for tax relief during the first 6 years of operation. A new or expanding firm can, under the Import Duties Relief Act (1957), obtain total or partial relief, for a period up to 10 years, from import duties ...

on raw materials imported for use in manufacturing production. This Act was amended under the Approved Users Scheme of 1964. Under this Scheme a manufacturing firm may import certain raw materials completely free of import duty or with high concession on duty. This Act has now been abolished. The Customs (Draw-back) Regulation and Dumped and Subsidized Goods Act 1958 were designed to encourage the development and expansion of manufacturing industries in Nigeria. Other financial incentives are provisions for accelerated Depreciation on Capital Investment and Tariff Protection. There is a guarantee of repatriation of profits and dividends to foreign investors. The Indigenisation policy was designed to:

(a) encourage Nigerians in equity participation in local industries;

(b) increase the retention of profits locally;

(c) increase the net contribution of manufacturing to the national economy, and

(d) reduce the danger of excessive dependence on foreign investment.

Industrial Promotion

An institutional set-up has been created to promote industrial development in Nigeria. The set-up includes such establishments and measures as:

- (1) Industrial development banks:

  - Nigerian Industrial Development Bank Limited,

  - Nigerian Bank for Commerce and Industry;

- (2) State Investment companies, e.g.

  - New Nigerian Development Company Limited,

  - Odua Investment Company Limited,

  - Central Investment Company Limited;

- (3) Industrial research institutes:

  - Federal Institute of Industrial Research,

  - Project Development Agency;

- (4) Quality Control Agencies:

  - Standards Organisation of Nigeria;

- (5) Industrial extension Service Centres for development of small scale industries:

  - Industrial Development Centres (IDCs);

- (6) Enterprises Promotion:

  - The Nigerian Enterprises Promotion Board;

- (7) Training scheme and funding:

  - The Industrial Training Fund;

- (8) Export promotion:

- The Export Promotion Council.

Provision of industrial estates and sites are actively pursued.

An Industrial Development Co-ordinating Committee (IDCC) has been set up in the Federal Ministry of Industry to improve the investment climate in Nigeria. It would operate as a secretariat to facilitate various approvals required by investors for various permits and incentives. In addition, a policy Analysis Unit, at the instance of the world Bank, has been set up to gather data and carry out economic research and policy analysis in order to facilitate the implementation of the industrial incentives restructuring.

New Measures

With the rapid deterioration in the balance of payments situation since 1981, tariffs were increased and quantitative controls extended to a wider range of imports. In 1984, the Federal Government took additional measures aimed at addressing the crisis situation. The measures affecting the industrial sector include:

- (a) Major changes in the customs and excise tariffs structure by narrowing the range of import duty rates and by substantially simplifying and rationalizing the customs tariff;
- (b) Placing of all imported goods under import licence, with raw materials, spare parts and essential commodity imports given priority in the allocation of foreign exchange;
- (c) Substantial cuts in the public sector investment programme;
- (d) Incentives for use of local raw materials by private sector; and
- (e) Export promotion measures to encourage manufacturing exports.

Incentives to encourage and promote exports include:

- (a) Reduction in the bureaucratic impediments in the way of prospective exporters;
- (b) Insurance cover for exports;
- (c) Easy and guaranteed credits for export-oriented industries;
- (d) Local foreign accounts for Nigerian and Nigerian companies;
- (e) Exporters to retain part of their earnings to service their import requirements.

COUNTRY REPORT - XI GHANA

The results of the 1984 census put the population at 12,205,574. It is a member of the Economic Community of the West African States (ECOWAS).

Resources

Ghana is rich in mineral resources. These include gold, diamonds, manganese and bauxite. Potentials exist for limestone and iron ore. There are indications of oil deposit offshore. The major cash crop is cocoa. Timber is another important resource. It is a major producer of maize which constitutes the base for the nations staple foods.

Infrastructure

For its energy supplies, Ghana depends heavily on hydro-electric power and imported crude oil. Almost all of its electricity production comes from the Akosombo (912 mw) and Kpong (151 mw) hydro-electric reservoirs on the Volta River. Energy supplies have been constrained in the early 1980s. Severe drought drastically curtailed hydro-electric power output. Increase in petroleum import costs and reduction in petroleum imports due to shortages of foreign exchange worsened electricity generation. For example, electricity generation fell from

4973 million KWh in 1982 to 2578 million KWh in 1983. The effect on the neighbouring countries, particularly Togo, that rely on Ghana for its energy supply has been serious.

The transport sector is faced with several problems; foreign exchange shortage is the main constraint. The main railway lines run from Takoradi - Kumasi - Accra and Takoradi - Accra. A 241 km of railway line connects the bauxite mines to Takoradi Port. Some 61 km of line run from the manganese mine to the port. There is an appreciable network of roads, consisting of surfaced major roads and feeders. A parallel and competing road network (Accra - Kumasi and Accra - Takoradi) is being rehabilitated. The main ports are Takoradi and Tema. There is an international airport at Accra. By and large, Ghana has, by African standard, a most enviable infrastructure.

The Economy

The major export is cocoa. The economy is dependent on it. It earned about $277 million in 1983. Mineral exports are gold, diamonds, manganese and bauxite. Timber is also exported (515,000 tonnes in 1983/84).

The GDP at current factor cost in 1983 was estimated at $4,612 million. At current market prices, the GDP that same year was $4,620 million.

Throughout the 1970s Ghana's economy showed a persistent decline. This was attributed to a combination of weak producer incentives, poor economic management, and declining external aid levels. These resulted in a steady decline in per capita income, high inflation and a diminishing capacity for imports. According to Dr. Alhassan Mohammed, the Vice-Governor of Bank of Ghana, inflation in 1983 was 122.8%. He attributed it to:

- Shortfall in domestic food supply because of adverse climatic conditions. Severe drought affected local output of food and later bush fires destroyed some part of the little that was available;
- High price of imported items;
- Shortfall in the level of imports because of the tight foreign exchange position of the country. This created more pressures on prices;
- Influence of money creation which resulted principally from the financing of the deficits on the accounts of the Government.

In April 1983, the Government introduced an Economic Recovery Programme which was supported by IMF Stand-by Arrangements.

The Recovery Programme aimed at:

- Increasing farm gate prices;
- Expanding the supply of agricultural inputs;
- Expanding rural credit;
- Improving extension services;
- Rehabilitating the processing industry;
- Streamlining the transport network with a view to eliminating marketing bottlenecks and reducing marketing costs.

The following were accomplished by 1985:

- Exchange rate* was adjusted. This was expected to help most exporters cover their costs and get the appropriate incentive to expand exports;
- Necessary inputs and credit were provided for agriculture;
- Measures to limit bank credit to Government were introduced;
- Price deregulation policies are being implemented to encourage producers to cover their costs and therefore to produce to improve the supply situation.

---

* 60 cedis = US $1 as at 9/10/85 (3rd devaluation in 1985)

Results so far have been encouraging,

- Ghana's economy grew to a rate of 5.4% in real terms in 1984 as against a decline of 6.4% in 1982 and an increase of 0.7% in 1983.
- Inflation was down from 123% in 1983 to 23% in August 1984. Recent reports indicate that the rate has fallen to 6.3% despite three devaluations of the Cedi.
- Export earnings were boosted by high cocoa price during 1984 and by slight increase in quantities produced. Timber also accounted for the boost in export earnings.
- Increase in imports was recorded;
- There is now a better supply of local food;
- Better control over money creation (to eliminate budget deficits) has been achieved.

Agriculture

In 1983, agriculture accounted for about 49% of the GDP and provides employment for 30% of the labour force. It accounts for about 60% of exports.

Agricultural incentives: Incentives to the sector include:

- Increase in procurement of prices of some commodities, e.g. cocoa;
- Expansion of rural credit;
- Highest priority given to rehabilitation of feeder roads;
- Provision of productive inputs such as seeds, fertilizers and insecticides.

Mining

The mining industry is the country's second largest foreign exchange earner after cocoa; mineral exports account for some 15% of the country's foreign exchange earnings. The industry has suffered from an overvalued exchange rate and high inflation. Other problems include shortages of foreign exchange, lack of finance to replace over-aged equipment or explore new depcsits, lack of management autonomy, and the exodus of foreign and Ghanaian technical and managerial staff.

The exchange rate adjustment has restored the profitability of mines. However, for some reasons, output of gold and diamonds has continued to decline in 1983, while manganese has shown an increase (see Table 1).

Table 1

Mineral Production (x'000 tonnes)

	1981	1982	1983
Gold (x'000 fine troy ounces)	68.2	59.9	50.2
Diamonds (x'000 carat)	837	684	339
Manganese	223	160	173
Bauxite	181	64	70

Manufacturing

The main manufacturing industries are aluminium, beer, cement, cocoa products, food, timber products and vehicle assembly.

The sector has been in decline. This has been attributed to:

- A dire shortage of foreign exchange;
- A prolonged worldwide recession;
- High energy costs; and
- Dought that forced electricity cutbacks.

Industries are capital-intensive industries with high import content. Past trade and exchange policies such as overvalued exchange rate, import restrictions, high tariffs on consumer goods and low duties on imported inputs and capital provided high effective protection to these industries. This fostered an import-dependent high-cost industrial structure. Bad planning, lack of coordination and duplication especially in soap, textile and alcohol industries, as well as shortages of spare parts and raw materials, have reduced average capacity utilisation to as low as 20%.

The sector has shown only a modest recovery in 1983. Value added in manufacturing rose to 1.7% in 1983 after two successive years of declining output. It accounted for about 13% of the GDP in 1983. Capacity utilization remains severely constrained by shortages of power, transport and foreign exchange.

Growth is expected to accelerate now when these problems ease.

Industrial Policy

The Government has enacted a new investment code (which replaces the 1981 investment code). The code offers incentives and guarantees to encourage investment in areas of the economy except petroleum and mining.

Areas of investment to be accorded priority status with specified benefits and incentives under the new code include agriculture, manufacturing industries construction and building industries, and tourism. For the manufacturing industries, the applicable benefits and incentives are:

- Requisite permission for importing essential machinery and equipment;
- Exemption from the payment of customs and import duties in respect of plant, machinery, equipment and accessories imported specifically and exclusively to establish the enterprise once approved;
- Investment allowance of 7½%;
- Depreciation or capital allowance of 40% in the year of investment and 20% in subsequent years.

In addition to the incentives and benefits, where any enterprise with priority status undertakes or supports a programme of

scientific research in Ghana for the purpose of developing and advancing the said enterprise, the capital expenditure for such research shall be fully deductible.

All foreign exchange earning enterprises may be permitted by the Bank of Ghana to retain in an external account a portion of their foreign exchange earnings for use in acquiring spare parts and other inputs required for the enterprise. Other benefits include immigration quota and establishment or manufacturing licence. Guarantees for free transferability of dividends, fees, charges etc, are given. Government also guarantees not to expropriate any enterprise.

ANNEXE 2

EXISTING SUB-REGIONAL POLICIES AND INSTITUTIONS SUPPORTING INDUSTRIAL CO-OPERATION

A. POLICIES

These have been formulated as decisions and/or resolutions by both the AUTHORITY of the Heads of State and Government in the sub-region, and the Council of Ministers of member countries. In addition to the basic ECOWAS Treaty, particularly its Article 29 to 31, the following policies/resolutions that support industrial co-operation have also been adopted for implementation:

	Policy Instrument/Year	Subject/Summary	Decision-making body
1.	A/DEC.15/5/80	Fixing of the Desirable Level of National Participation in Equity Capital of Industrial Enterprises	AUTHORITY
2.	C/DEC.1/5/79	ECOWAS Federation of Chambers of Commerce	COUNCIL
3.	A/DEC.3/5/82	Integrated and Comprehensive Energy Policy	
4.	A/DEC.2/5/82	Declaration of the 1983-1993 Decade as "REFORESTATION DECADE"	
5.	A/DEC.15/5/82	Financing Agreements Between the European Development Fund, the European Investment Bank, the Italian Government and the ECOWAS Fund.	
6.	C/DEC.1/11/81	Establishment of Industries for Manufacturing Telecommunications Equipment (commissioning of a possibility study)	
7.	C/DEC.8/11/82	Policy and Strategy for Development of Projects. Overall objective: To ensure the necessary structural changes and adjustments for a self-sustaining economic development over the long-term as well as the establishment of communications infrastructure. Directives for Consideration: (i) re-orienting the economies of member states towards the community market; (ii) selection of priority sectors and types of production; (iii) regional equilibrium.	

	Policy Instrument/Year	Subject/Summary	Decision-making body
8.	A/DEC.2/5/83	Establishment of ECOWAS National Structures to follow-up ECOWAS activities in member states. (Includes the establishment of a unit at the Secretariat to monitor implementation of community Acts and Decisions).	
9.	A/DEC.3/5/83	Decision Relating to Development Co-operation Programmes.	
		(i) Short-term measures	
		a) Exchange of information on important industrial investment projects; b) Realisation of joint studies on the identification of bilateral or multilateral projects. c) Exchange of qualified manpower and training facilities.	
		(ii) Medium-term measures	
		a) Harmonization of investment promotion measures and industrial development plans. b) Rationalisation of existing industries in the subregion through specialisation. c) Contribution to the optimum use of raw materials and other natural resources. d) Exchange and population of results obtained in the field of technology development. e) Close co-operation in the field of technology development including training.	
		(iii) Long-term measures	
		Formulation of heavy industrialisation policies within the subregion.	
10.	A/DEC.4/5/83	Decision relating to Development Co-operation Policy.	
		- specifying priority areas and aiming at establishing a community industrial base through the development of intermediary goods industries and production goods by the specialisation of member states.	

	Policy Instrument/Year	Subject/Summary	Decision-making body
11.	C/DEC.5/5/83	General Policy and Criteria for the Selection of Projects. (i) General Guidelines include: a) reorienting national production and consumption pattern towards the Community Market; b) aiming at a global regional balance; - special attention shall be given to the promotion of project in the less developed member states in order to reduce disparities in the level of development. (ii) Specific Criteria a) collective self-reliance b) economic integration and complimentarity at all levels c) better use of raw materials and natural resources. d) meeting basic needs of the peoples e) production of intermediate and capital goods to satisfy the needs of priority sectors and industries f) offer of employment and provision of training opportunities to increase skills and promote technology transfer.	
12.	C/RES.1/5/83	Resolution Relating to Regional Development Co-operation Programme	
13.	C/RES.2/5/83	Resolution Relating to Regional Industrial Development Co-operation Policy.	
14.	A/REC.1/5/83	Mobilisation of the Different Sections of the Population in the Integration Process. (Recommendations of Heads of States to all Member States).	
15.	A/P.1/11/84	Protocol on Community Enterprises. The Protocol defines "Community Enterprises" as any company whose equity capital is owned by either two or more member states and citizens or institutions of the community, or a public limited liability company established as an inter-governmental enterprise in a member state.	AUTHORITY

Policy Instruments/year	Subject/Summary	Decision-making body
	Aims: Encouraging the policy of resources. Benefits: (i) such enterprises will enjoy better facilities including capital, profits, fees and other payments involving transfers from one member country to another. They will enjoy relatively high degree of political support. (ii) their products will have access to the community market duty free.	

B. INSTITUTIONS:

Close to 40 different inter-governmental organizations currently operate within the sub-region. Those with economic/industry-related activities are as follows:

Sector	IGOs
Economic Community	- Economic Community of West African States (ECOWAS) - West African Economic Community (WAEC or CEAO) - Mano River Union (MRU)
Industry	- Common African and Mauritian Organization (OCAM) - SADIAMILL - Organization for the Development of the Gambia River (OMVG) - Organization for the Development of the Senegal River (OMVS) - Mano River Union (MRU) - Niger-Nigeria Joint Commission for Co-operation - Liptako-Gourma Aurhority - Lake Chad Basin Commission - Electric Community of Benin (CEB) - Economic Community of West African States (ECOWAS) - West African Economic Community (CEAO) - Council of Understanding - Senegambia Permanent Secretariat

Finance	- West African Development Bank (BOAD) - African Solidarity Fund - BCEAO - WACH - West African Monetary Union (UMOA) - African Development Bank - Centre for Monetary Studies.

C. OTHERS

In addition to the above institutions, a Multinational Programming and Operational Centre (MULPOC) exists for the sub-region whose functions include co-ordinating the activities of the IGOs. International organizations such as ECA and UNIDO also actively support industrial co-operation in the sub-region.

ANNEX 3

Profiles of projects in the revised programme

The core projects are grouped by subsector and listed in order of priority within the respective subsectors. The support projects, all of which are accorded first priority, are grouped by promoter/sponsor.

Priority: First (short-term)

PROJECT PROFILE NO. 1

SUBREGION: West Africa

SUBSECTOR: Engineering industry (agriculture machinery and equipment)

1. Project Title: Manufacture of agricultural tools and implements, Sierra Leone

2. Objective: To develop (i) manufacture of foundry and metal-forming tools products particularly for the agriculture sector; (ii) production of corrugated iron roofing sheets and (iii) repair jobbing and metal fabrication facilities.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of Sierra Leone 4. Freetown, Sierra Leone	5. Feasibility study available 6. Identification of potential investors	7. Grey iron scrap, steel scrap, timber and charcoal are locally available. Other materials and inputs such as steel have to be imported. 8. Available, primarily electric energy and a standby 800 kVA generator 9. Very good	10. (Units/year for local export markets) Mincers/maize mills: 4,000/4,000 Charcoal irons: 5,000/4,500 Cooking pot: 6,000/7,000 Rakes: 12,000/14,000 Palmoil presses: 350 Semi-rotary pumps: 250/350 Palmnut crackers: 375 Rice hullers: 250 Wheelbarrows: 4,000/4,000 Rice winnowers: 350 Corrugated iron sheets: 2,000/1,200 11. Construction and agricultural sectors as well as local consumers	12. (Units/year) Mincers/maize mills: 7,500 Charcoal irons: 43,420 Cooking pot castings: 14,460 Rakes: 6,420 Palmoil presses: 350 Pumps: 550 Palmnut crackers: 330 Rice hullers: 220 Wheelbarrows: 6,600 Rice winnowers: 350 Corrugated iron sheets: 3,000 13. $2.9 million	14. Government of Sierra Leone has 40 per cent equity. Three foreign currency loans of $2.44 million are assumed. A local currency loan of $750,000 is envisaged

PROJECT PROFILE NO. 2

Priority: First (short-term)

SUBSECTOR: Engineering industries (agricultural machinery and equipment) SUBREGION: West Africa

1. Project Title: Manufacture of agricultural implements and equipment, Nigeria

2. Objective: To establish a plant to manufacture agricultural implements and equipment.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of Nigeria 4. Nigeria. Information about the site in Nigeria is not available	5. Feasibility study conducted in 1980 is available 6. Information not available	7. No information available on whether the steel required will be produced locally or imported. 8. No information available about project requirements 9. Information not available	10. Information not available. However, present subregional demand amounts to: 10,000 small tractors; 30,000 hand-held implements; and 10,000 various other implements 11. Subregional.	12. Information not available 13. Estimated at N 31.2 million including pre-investment costs, fixed capital and working capital.	14. (a) It is not known whether Nigeria has invited other countries in the subregion to participate in the project. (b) Potential problems during implementation might include the lack of investment funds.

PROJECT PROFILE NO. 3

Priority: First (short-term)

SUBSECTOR: Engineering industry (agricultural machinery and equipment)

SUBREGION: West Africa

1. **Project Title:** Production of mobile mini palm-oil mills, Mano River Union

2. **Objective:** To reduce the degree of fresh fruit wastage by using mobile processing units which can travel to the plantations

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Mano River Union 4. Mano River Union countries	5. Terms of reference for the project drafted and mobilization of funds initiated. 6. Given positive response of ADB, a fact-finding mission will be undertaken and close co-operation established with ARCEDEM in respect of equipment design	7. Nearly all raw materials will have to be imported. - Appropriate lorry bodies and accessories for assembly - Iron sheets and profiles and accessories for assembly - Welding material and fittings for mounting 8. Energy supply system for units (generators of about 40 kVA) 9. No special requirements	10. 50 to 80 units may be absorbed by the Union market 11. Mobile units can also be produced for export to ECOWAS Member States as in many countries similar conditions prevail in respect of palm-oil production.	12. Mobile unit will have an input capacity of about 1,000 tons/year 13. Will cost about $250,000 which can be paid back in about two years	14. 5% nationals or institutions of MRU member countries 49% free distribution. Preferential treatment to be given to the import of mobile units so as to enlarge the sales prospects of this venture.

PROJECT PROFILE NO. 4

Priority: Second (medium-term)

SUBSECTOR: Engineering industry (agricultural machinery and equipment)

SUBREGION: West Africa

1. Project Title: Manufacture of four-wheeled tractors, Senegal and Nigeria

2. Objective: To develop manufacture of agricultural machinery.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This proposal was examined by the sixth meeting of the Niamey-based MULPOC Council of Ministers which referred it to the first meeting of the Inter-governmental Committee of Experts on Engineering Industries for West Africa 4. Senegal and Nigeria	5. Conceptual stage 6. Further in-depth studies	7. To be imported pending the supply of grey cast iron/ malleable cast iron, forging quality steel, sheet metals and sections from local projects or from the metallurgical projects proposed for the subregion. 8. Available, primarily electric energy 9. Adequate in both locations proposed.	10. 23,000 units p.a. (1990) 50,000 units p.a. (2000) 11. Agricultural sector in the subregion	13. (a) Pre-investment studies $200,000 (b) Total basic investment: $ 70 million (excluding investment for engine production and ancillary industries) 12. Senegal plant: 5,000 units Nigerian plant: 10,000 units	14. (a) 50 per cent of basic investment to be provided by equity shareholding and balance by loans. (b) Ancillary industries to be set up at national level to provide ancillary parts and components.

PROJECT PROFILE NO. 5 Priority: Third (long term)

SUBSECTOR: Engineering industry (agricultural machinery and equipment) SUBREGION: West Africa

1. Project Title: Manufacture of diesel-engines for irrigation pumps and generators, Guinea

2. Objective: To develop agricultural machinery and energy equipment manufacture

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This proposal was examined by sixth meeting of the Niamey-based MULPOC Council of Ministers which referred it to the first meeting of the Inter-governmental Committee of Experts on Engineering Industries for West Africa 4. Guinea	5. Pre-feasibility study stage 6. Further in-depth studies	7. To be imported pending supplies from the metallurgical projects proposed for the subregion 8. Available, primarily electric energy 9. Adequate	10. 100,000 units p.a. (1990) 200,000 units p.a. (2000) 11. Units manufacturing irrigation equipment and small generators in the subregion	12. 100,000 units p.a. 13. $ 50 million (including investment on national pump and generator assembly plants)	14. (a) 50 per cent of basic investment to be provided by equity shareholding and balance by loans. (b) National pump and generator assembly plants to be set up. (c) Given Mauritania's experience, geographic location and major iron-ore deposits, possible location of the project in that country might be considered

PROJECT PROFILE NO. 6 Priority: First (short term)

SUBSECTOR: Engineering industry (road and rail transport equipment) **SUBREGION:** West Africa

1. **Project Title:** Manufacture of railway wagons, Burkina Faso and Senegal

2. **Objective:** To develop manufacture of transport equipment

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including co laboration arrangements already made and type of participation sought by member states
3. West African Economic Community (CEAO) 4. Primary location in Bobo-Dioulasso, Burkina Faso and subsidiary in Dakar, Senegal	5. Feasibility study available 6. Further in-depth studies required to take subregional demand into account	7. To be imported pending supplies from metallurgical projects proposed for the subregion 8. Electricity supply sufficient 9. Adequate	10. Demand 225 wagons per annum 11. Railway authorities in the subregion	12. 225 wagons 13. Each manufacturing unit: 3,000 million CFA	14. (a) Togo and Benin have expressed interest in the project. (b) Ancillary industries to be set up at national level to provide parts and components. (c) Subcontracting arrangements are needed in order to make full use of existing railway workshops in the subregion for the supply of parts and components. (d) Technical partner to be selected in early 1986.

PROJECT PROFILE NO. 7

Priority: First (short-term)

SUBREGION: West Africa

SUBSECTOR: Engineering industry (road and rail transport equipment)

1. Project Title: Establishment of a central press workshop (Oshogbo, Nigeria)

2. Objective: To establish a factory to manufacture machine tools

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. The Nigerian Government 4. Oshogbo, Nigeria	5. Feasibility study conducted between 1978 and 1979 is available 6. P.E. International operation. (A consulting group appointed in 1980 to monitor the project and prepare a market survey for the products. NIDB Evaluation Report (1984). Reviewed by the World Bank in 1985.	7. Essential moulds to be imported. Basic raw materials available locally. 8. Available: primarily electric energy 9. Very good	10. Not available 11. Subregional and local market. Woodworking, engineering and other industries.	12. (Units/year) Power hacksaws: 110 Centre lathes - I: 270 Centre lathes - II: 270 Milling machines: 200 Bench drills: 320 Pillar drills: 40 Radial drills: 320 Pedestal grinders: 260 Tool and cutter-grinders: 70 13. N74.57* million ($80.7) million) * N1 = $1.084 as at 27.11.85	14. Federal Government of Nigeria has majority equity, while the foreign technical partner, Hindustan Machine Tool, is contributing 10 per cent The balance of the financing plan of N61.74 ($66.93) to be provided by loans or further equity participation. (Debt/equity ratio is 1.058 : 1)

PROJECT PROFILE NO. 8

Priority: Third (long term)

SUBSECTOR: Engineering industry (road and rail transport)

SUBREGION: West Africa

1. Project Title: Manufacture of diesel engines for tractors, trucks, lorries and buses, Nigeria

2. Objective: To develop manufacture of agricultural machinery and transport equipment

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This proposal was examined by the sixth meeting of the Niamey-based MULPOC Council of Ministers which referred it to the first meeting of Inter-governmental Committee of Experts on Engineering Industries for West Africa 4. Nigeria	5. Project has been launched 6. No information available	7. (i) To be imported pending supplies from the metallurgical projects proposed for the subregion or supplies from the Nigerian steel projects (ii) Aluminium to be imported from Ghana/Guinea 8. Available, primarily electric energy 9. Adequate	10. 154,000 units p.a. (1990) 387,000 units p.a. (2000) 11. Supplies to tractor factory and lorries/ trucks/chassis factories proposed for the subregion	12. 100,000 units p.a. 13. $ 150 million (excluding investment for ancillary industries)	14. (a) 50 per cent of basic investment to be provided by equity shareholding and balance by loans. (b) Ancillary industries to be set up at national level to provide parts and components. (c) Supply/purchase arrangements to be worked out in respect of raw materials and engines.

PROJECT PROFILE NO. 9 Priority: Third (long term)

SUBSECTOR: Engineering industry (road and rail transport) SUBREGION: West Africa

1. Project Title: Manufacture of diesel engine-mounted chassis for lorries, trucks and busses, Nigeria

2. Objective: To develop manufacture of transport equipment.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This proposal was examined by the sixth meeting of the Niamey-based MULPOC Council of Ministers which referred it to the first meeting of the Intergovernmental Committee of Experts on Engineering Industries for West Africa 4. Nigeria	5. Exact current status unknown 6. Further in-depth studies	7. To be imported pending supplies from local projects or the metallurgical projects proposed for the sub-region. 8. Available, primarily electric energy 9. Adequate	10. 131,000 units p.a. (1990) 337,000 units p.a. (2000) 11. All countries in the sub-region for vehicle body building at the national level.	12. 30,000 units p.a. (1 ton chassis) 25,000 units p.a. (2-5 ton chassis) 20,000 units p.a. (6-10 ton chassis) 13. $ 40 million for each chassis type, i.e. 120 million for all three types	14. (a) 50% of basic investment to be provided by equity shareholding and balance by loans. (b) Ancillary industries to be set up at national level to provide parts and components.

PROJECT PROFILE NO. 10 Priority: Third (long term)

SUBSECTOR: Engineering industry (road and rail transport) SUBREGION: West Africa

1. Project Title: Manufacture of low-cost, standard multi-purpose vehicles, Guinea

2. Objective: To develop manufacture of transport equipment suited to the rural needs.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This proposal was examined by the sixth meeting of the Niamey-based MULPOC Council of Ministers which referred it to the first meeting of the Intergovernmental Committee of Experts on Engineering Industries for West Africa 4. Guinea	5. Conceptual stage 6. Further in-depth studies	7. To be imported pending supplies from the metallurgical projects proposed for the subregion 8. Available, primarily electric energy 9. Adequate	10. 180,000 units p.a. (1990) 500,000 units p.a. (2000) 11. Whole subregion	12. 50,000 units p.a. in each country 13. Total investment $ 82 million (excluding investments for ancillary industries and assembly of bodies at the national level.)	14. (a) 50% of basic investment to be provided by equity shareholding and balance by loans. (b) Ancillary industries to be set up at national level to provide parts and components.

PROJECT PROFILE NO. 11

Priority: First (short-term)

SUBSECTOR: Engineering industry (energy equipment)

SUBREGION: West Africa

1. Project Title: Manufacture of hurricane lamps, Senegal

2. Objective: To meet the needs of the West African Monetary Union (UMOA) and the West African Economic Community (CEAO) in this field

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. BOAD in collaboration with the Dakar industrial free zone 4. Dakar (Senegal)	5. Regional project 6. Update the feasibility studies	7. From the subregion 8. Available 9. Satisfactory	10. Demand estimated at more than 200,000 lamps a year 11. UMOA/CEAO market and possibly ECOWAS	12. Capacity: 600,000 to 1,200,000 lamps a year 13. Estimated cost 1,000 million CFA francs (1980 value to be re-updated)	14. a) Technical partners being sought b) This partner will soon update previous feasibility studies financed by BOAD c) Participation by ECOWAS countries recommended d) Due consideration to be paid to plant established in Burkina Faso

PROJECT PROFILE NO. 12 Priority: Third (long term)

SUBSECTOR: Engineering industry (energy equipment) SUBREGION: West Africa

1. Project Title: Manufacture of aluminium conductors and cables, Ghana and Guinea

2. Objective: To develop manufacture of energy supply equipment

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This proposal was examined by the sixth meeting of the Niamey-based MULPOC Council of Ministers which referred it to the first meeting of the Intergovernmental Committee of Experts on Engineering Industries for West Africa 4. Ghana and Guinea	5. Conceptual stage 6. Further in-depth studies	7. Aluminium available in both countries 8. Electricity available, primarily electric energy 9. Physical infrastructure adequate in both locations	10. 50,000 tons p.a. (1990) 100,000 tons p.a. (2000) 11. Electricity enterprises in the subregion	12. 25,000 tons p.a. in each location 13. $ 25 million (for rod rolling mill and cables and conductors manufacturing units).	14. (a) 50% of basic investment to be provided by equity shareholding and balance by loans (b) Given the availability of aluminium in the subregion, the use of that material is proposed instead of copper.

PROJECT PROFILE NO. 13

Priority: Third (long term)

SUBSECTOR: Engineering industry (energy equipment)

SUBREGION: West Africa

1. Project Title: Manufacture of power transformers, Togo.

2. Objective: To develop manufacture of energy supply equipment

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This proposal was examined by the sixth meeting of the Niamey-based MULPOC Council of Ministers which referred it to the first meeting of the Inter-governmental Committee of Experts on Engineering Industries for West Africa 4. Togo	5. Conceptual stage 6. Further in-depth studies	7. To be imported pending supplies from metallurgical projects proposed for the subregion 8. Available primarily electric energy 9. Adequate	10. 2000 MVA p.a. each of large, medium and distribution transformers (1990) 5000 MVA p.a. each of large medium and distribution transformers (2000) 11. Electricity enterprises in the subregion	12. 3000 MVA 13. US$ 20 million	14. (a) 50% of basic investment to be provided by equity shareholding and balance by loans. (b) It is proposed that the plant starts with the manufacture of distribution transformers, to be followed by the manufacture of medium and large power transformers

PROJECT PROFILE NO. 14

Priority: Third (long term)

SUBSECTOR: Engineering industry (energy equipment)

SUBREGION: West Africa

1. Project Title: Manufacture of steel towers, Nigeria

2. Objective: To develop manufacture of energy supply equipment

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This proposal was examined by the sixth meeting of the Niamey-based MIFPOC Council of Ministers which referred it to the first meeting of the Intergovernmental Committee of Experts on Engineering Industries for West Africa 4. Nigeria	5. Conceptual stage 6. Further in-depth studies	7. Available 8. Available, primarily electric energy 9. Adequate	10. 50,000 tons p.a. (1990) 100,000 tons p.a. (2000) 11. Electricity enterprises in the subregion	12. One 50,000 tons p.a. rolling mill served by up to five 10,000 tons p.a. manufacturing plants 13. $ 100 million (for one rolling mill and five manufacturing plants)	14. (a) 50% of basic investment to be provided by equity shareholding and balance by loans. (b) The manufacturing unit could start by installing a plant with an annual capacity of 10,000 tons which could be expanded at a later juncture.

PROJECT PROFILE NO. 15 Priority: First (short term)

SUBSECTOR: Chemical industry (fertilizers) SUBREGION: West Africa

1. Project Title: Establishment of a phosphoric acid plant, Togo

2. Objective: To exploit phosphate deposits for the production of phosphoric acid and meet the multicountry/subregional requirements.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of Togo 4. Hanotoe, Togo	5. Preliminary study completed 6. Feasibility study is nearing completion and mobilization of funds being studied	7. Phosphate deposits at Dagbati and Kpogame 8. No information available 9. Adequate	10. Demand in the subregion is estimated at 1 - 1.2 million tons P_2O_5 by 2000. 11. Countries of the subregion and Central Africa	12. Phosphoric acid: 1,000 tons/day 13. 70 billion CFA	(a) The sixth meeting of the Council of Ministers of the Niamey-based MULPOC urged all Member States to lend support to the Togolese phosphoric acid project in matters related to equity participation, supply and consumption. (b) Technical partner being sought.

PROJECT PROFILE NO. 16

Priority: Second (medium term)

SUBSECTOR: Chemical industry (fertilizers)

SUBREGION: West Africa

1. **Project Title:** Subregional ammonia and urea project

2. **Objective:** Using natural gas reserves to produce ammonia/urea and meet multicountry/subregional requirements.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Based on a request of the sixth meeting of the Council of Ministers of the Niamey-based MULPOC 4. To be determined	5. Preliminary study completed 6. Detailed studies being undertaken by Canadian firm	7. Natural gas available in the Ivory Coast and Ghana 8. Will be available in country selected 9. Needs to be developed	10. Based on subregional trends it is estimated that the demand gap will be 1.6 million tons in 2000	12. Ammonia: 1,000 tons per day; Urea: 1,500 tons per day. 13. US$ 500 million	14. The sixth meeting of the Council of Ministers of the Niamey-based MULPOC endorsed the proposal for a preliminary study on the feasibility of a second ammonia project in the subregion; the first being in Nigeria, the output of which will be completely absorbed by the Nigerian market.

PROJECT PROFILE NO. 17

Priority: Second (medium-term)

SUBSECTOR: Chemical industry (fertilizers)

SUBREGION: West Africa

1. Project Title: Establishment of a phosphate-fertilizer plant, Niger

2. Objective: Production of phosphate fertilizers to enhance agricultural production

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of the Republic of Niger 4. Tahoua, Niger	5. A feasibility study has been completed with the assistance of USAID. 6. Follow-up on the USAID study and its recommendations. ECOWAS Fund being approached for financial assistance	7. Rich phosphate deposits exist (considered the largest in the subregion). One of the deposits located at Tahoua is estimated at over 1,455 million tons. 8. The infrastructure needs further improvement. 9. As above.	10. Information not available. 11. Information not available.	12. Initial capacity: Sulphuric acid: 45,000 tons a year Phosphoric acid. 15,000 tons a year Triple super phosphates: 45,000 tons a year Single super phosphates: 65,000 tons a year.	14. External financial and technical assistance required. The Government is anxious to co-operate with other neighbouring and CEAO countries in the Sahelian region.

PROJECT PROFILE NO. 18 — **Priority: Third (long-term)**

SUBSECTOR: Chemical industries (pharmaceuticals) — **SUBREGION:** West Africa

1. Project Title: Establishment of a pharmaceutical plant, Guinea (UPM)

2. Objective: To set up a pilot demonstration plant for the production of oral rehydration salts (ORS) and intravenous fluids

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Mano River Union (MRU) and Government of Guinea through ENIPHARMGUI 4. Matoto (near Conakry), Guinea	5. Pilot production plant already established with buildings, quality-control and trained staff 6. Implementation of UNIDO assistance for rehabilitation of existing facilities.	7. Locally available but active ingredients being imported. 8. Locally available. 9. Already developed but also being improved.	10. Minimum of 3 million packets of ORS and 750,000 intravenous fluid containers. 11. MRU countries and other countries in the sub-region.	12. (a) 3 million packets of ORS and 750,000 intravenous fluid containers. 13. $5 million including infrastructure	14. Amongst the steps taken to satisfy the pharmaceutical needs of the population the ENIPHARMGUI was established under the Decree No. 53 of 1979 to take up local production of pharmaceuticals. The Government also approached UNDP/UNIDO for assistance in this connection. Project DP/GUI/78/008 "Rehabilitation et Creation des Unités des Fabrication Locale de Medicaments" was approved in 1980 and implemented 1980-84 at Matoto near Conakry. The plant is currently producing pharmaceutical dosage froms such as tablets, syrups and ointments. In order to meet the growing demand of the country and of the MRU, the Government decided to request UNIDO's assistance in rehabilitating and diversifying the production programme of the plant as well as utilizing it for demonstration and training of personnel from Africa and the MRU in particular.

PROJECT PROFILE NO. 19

Priority: First (short term)

SUBSECTOR: Chemical industries (pharmaceuticals)

SUBREGION: West Africa

1. Project Title: Rehabilitation and extension of the Sereddu station, Guinea

2. Objective: Develop the production of quinine salt in Guinea to meet the demand of the subregion.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of Guinea 4. Sereddu (MACENTA) Guinea	5. Feasibility studies available 6. More detailed studies. World Bank evaluation Report.	7. 300 hectares of cinchona should provide a sufficient and regular supply of raw materials. 8. Available: existing lines and a stand-by generator of 250 kVA. 9. Available but needs to be developed.	10. Not available. 11. Local market and export to other countries in the subregion.	12. 22.5 tonnes of cinchona salt. 13. US$ 15 million.	14. (a) Agreement in principle by the World Bank to finance a first phase costing $5 million. Financing of subsequent phases by the same body. (b) Countries of the subregion need to participate. (c) Purchase by those countries of the final product as raw materials for their pharmaceutics industries.

PROJECT PROFILE NO. 20

Priority: Second (medium term)

SUBSECTOR: Chemical industries (pharmaceutical)

SUBREGION: West Africa

1. Project Title: Establishment of a pharmaceutical plant, Nigeria.

2. Objective: To set up a plant to manufacture a variety of pharmaceutical products, including antibiotics.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Nigeria. 4. Nigeria. Information about the actual site in Nigeria is not available	5. Feasibility study conducted in 1982 is available 6. Information not available	7. Information not available 8. Information not available 9. Information not available. Probably the infrastructure required still needs to be developed	10. Information not available 11. Information not available	12. Proposed as follows: 3,000 million tablets p.a.; 2 million litres p.a. of oral liquids; 500,000 kg p.a. of ointment; and 125 million capsules of antibiotics 13. Estimated at N 63.1 million, including pre-investment costs, fixed capital and working capital	14. (a) It is not known whether Nigeria has invited other countries in the subregion to participate in the project (b) Potential problems during implementation might include lack of investment funds.

PROJECT PROFILE NO. 21

Priority: First (short-term)

SUBSECTOR: Chemical industries (pesticides)

SUBREGION: West Africa

1. **Project Title:** Plant for phytosanitary products, Burkina Faso

2. **Objective:** To set up a new plant to manufacture a number of pesticides which are imported at present.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Ministry of Commerce, Industry and Mining, Burkina Faso 4. Bobo-Dioulasso, Burkina Faso	5. Feasibility study carried out in April 1979 was updated in 1984 6. Information not available	7. Locally available: Kaolin, dolomite, etc. Imported: Active ingredients 8. Information not available 9. Information not available about transport and communications infrastructure. Buildings and associated infrastructure are to be developed.	10. Burkina Faso: Liquids: 1.62 million l Powder: 4,500 tons Niger: Liquids: 375,000 l Powder: 3,000 tons 11. Local market and export to other countries in the subregion, such as Niger.	12. Planned as follows: (a) Liquid pesticides, 1 million l p.a. (b) Powder pesticides, 2,500 tons p.a. 13. Estimated at CFA 667 million	14. (a) Participation was sought of PETROPLAST of London (UK) which is reviewing the feasibility study. (b) No information is available about Burkina Faso having invited other countries in the subregion to participate in the project. (c) Financial participation sought, equity shareholding and loans. (d) Information not available about manpower requirements. (e) Project is included in national five-year development plan.

PROJECT PROFILE NO. 22

Priority: First (short-term)

SUBSECTOR: Chemical industries (basic chemicals)

SUBREGION: West Africa

1. Project Title: Tidekelt salt project

2. Objective: To produce salt for industrial and domestic use

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of the Republic of Niger 4. Tidekelt, Niger	5. A new project, a feasibility study of which is available. 6. Exploitation of the deposits and improvement of infrastructure to commence soon.	7. Two major salt mines exist in Niger which have not yet been exploited. They are considered almost inexhaustible. 8. A generator will be required to provide the necessary energy. 9. To be improved upon as considered necessary.	10. Salt is imported at present. 11. Estimated annual demand in Niger and the neighbouring countries exceeds 195,000 tons.	12. Initial capacity: Industrial salt: 8,000 tons a year Domestic salt: 1,000 tons. 13. 1,137,041,000 CFA.	14. The Government requires external financial assistance and a technical partner.

PROJECT PROFILE NO. 23 Priority: Second (medium term)

SUBSECTOR: Chemical industries (basic chemicals) SUBREGION: West Africa

1. Project Title: Establishment of salt/soda production plant, Mano River Union

2. Objective: To set up a salt refinery and the installation of salt works to meet multi-country subregional requirements.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Mano River Union 4. Location still under review	5. A full scale investigation was undertaken not only of the human consumption of salt but also the use of raw salt in supplementary industries. 6. Feasibility study	7. Sea water and raw salt. 8. Solar energy and large amount of electric energy 9. To be determined by new feasibility study.	10. To be determined in feasibility study 11. Three member states and others.	12. See 10 above 13. To be determined in pre-investment study.	14 a) No special co-ordination required except protection against imports. b) An Italian company Fin SALTEC identified as potential partner, but final selection of a technical partner still under review

PROJECT PROFILE NO. 24

Priority: First (short term)

SUBSECTOR: Agro- and agro-based industries (food processing)

SUBREGION: West Africa

1. Project Title: Integrated complex for poultry production, Liberia.

2. Objective: To establish a new enterprise to produce poultry, eggs, poultry feed and associated by-products (including organic fertilisers).

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of Liberia: National Investment Commission(NIC) 4. Bensonville, Liberia.	5. Feasibility study completed on behalf of NIC in 1982 by MULTICON of Brazil, and funds secured under Danish financial assistance programme. 6. No information available	7. To be imported 8. Available, but supplies need to be developed. 9. Transport and communications available. However, installations directly related to production need to be developed.	10. Information not available 11. Countries of the Mano River Union and other countries in the subregion.	12. In 1984: 3,866 tons poultry; over 5.4 million eggs; 1,959 tons poultry feed; 1964 tons organic fertilizer; and 480 tons by-products. 13. Estimated at $ 16 million	14. (a) Participation by other countries outside the subregion sought in terms of equity sharing, loans, technology, know-how and management. (b) No information is available about Liberia having invited other countries in the subregion to participate in the project. (c) Information about project manpower requirements is available.

PROJECT PROFILE NO. 25

Priority: First (short-term)

SUBSECTOR: Agro- and agro-based industries (food-processing)

SUBREGION: West Africa

1. Project Title: Plants for the industrial processing of millet and sorghum, Niger and Nigeria

2. Objective: To two units should permit the industrial processing of millet and sorghum, the aim being to meet the demand in urban centres for millet and sorghum flour. Furthermore, action will be taken to produce composite flour thereby reducing corn imports.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. SNLIC 4. Zinder, Niger and Kano, Nigeria	5. Pre-feasibility study carried out in 1981 under the SI/RAF/77/801 project; feasibility study completed in April 1984 under the RAF/77/020 project Cost of study: $44,380. 6. Preparation of request for financing considered at meeting of experts from Niger and Nigeria in November 1985. This project will be included in the national plans and programmes of both countries and submitted to bilateral and multilateral financing sources.	7. Niger and Northern Nigeria are major producers of millet and sorghum. The first phase of the of the project will involve only 6,000 tons for each of the two units in Zinder and Kano. 8. Energy is available in both towns where the two units are to be located. 9. The mill foreseen at Zinder will take into consideration the installations already existing in SOTRAMIL. There is already a corn-mill in Kano. The road network throughout the subregion is good, as well as parts of the railway system in northern Nigeria.	10. Demand is very high because millet and sorghum, especially the flour thereof, are basic foodstuffs. 11. Initially, the urban centres of northern Nigeria and Niger.	12. Each of the two units will produce 6,000 tons of millet and sorghum flour. 13. $2 million.	14. Contacts have been made with RADLA, ADB, the OPEC Fund, Canada and the Federal Republic of Germany. The two countries are committed to this project which is part of the programme for self-sufficiency in food.

PROJECT PROFILE NO. 26

Priority: First (short-term)

SUBSECTOR: Agro- and agro-based industries (food-processing)

SUBREGION: West Africa

1. Project Title: Manufacture of village mills for millet and sorghum, Niger and Nigeria

2. Objective: (i) To provide the rural areas with the means to process millet and sorghum, the basic food of the rural population; (ii) to lessen the hardship of rural women; (iii) to avoid losses incurred during the transportation of these foodstuffs; (iv) to introduce an appropriate technology; and (v) to decentralize economic and social development.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. NNJC 4. Maradi, Niger	5. Feasibility study conducted in February 1983 under project RAF/77/020. Cost of study: $40,000. $15,000 obtained from the OPEC Fund for the realization of feasibility study. 6. Expert meeting of the two countries held in November 1985 requested that this project be included in the national programmes of the two countries and that it be promoted in the private and public secors and at the bilateral and multilateral levels. Contacted SISMAR in Dakar, Chanic in Brussels and the CUI in respect of the realization.	7. The plant equipment and the raw materials shall be imported in the first place. Gradually, the importation of raw materials shall be reduced through the availability of local production, especially in Nigeria. 8. Maradi has the necessary installations and it is planned that the plant generators will supply the energy. 9. Existence of a good road network in Nigeria and Niger.	10. Annual demand of mills in Niger and Northern Nigeria: 2,020. Annual demand of hullers estimated at 600 units for the two countries. 11. Niger, northern Nigeria and even other West African countries.	12. Planned unit will have production capacity of 5,000 mills. 13. 560,155,000 CFA or 1,140,226 Naira.	14. BADEA shall be contacted. UNIDO requires NNJC to contact ANCEDEM for technical advice. Promotion done for Niger and Nigeria. Feasibility study shall consider the possibility of producing small pumps.

PROJECT PROFILE NO. 27

Priority: Second (medium term)

SUBSECTOR: Agro- and agro-based industries (food processing)

SUBREGION: West Africa

1. **Project Title:** Food-processing plant, Guinea

2. **Objective:** To rehabilitate plant manufacturing agro-products such as chocolate and expand its programme to include the processing of oranges and other fruit.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Ministry of Industry, Guinea. 4. Kindia, Guinea	5. Pre-feasibility study available 6. Study on expanding and modernizing the plant was initiated but currently in abeyance.	7. Available. 8. Available. 9. Available, but requires expansion/modernisation	10. Information not available. 11. Local market and export to other countries in the subregion as well as to Europe.	12. Proposed: 7,200 tons p.a. 13. Estimated at $ 25 million.	14. (a) Participation by countries outside the subregion in terms of equity sharing and loans is sought. (b) Information is not available about Guinea having invited other countries in the subregion to participate in the project. (c) Manpower available.

PROJECT PROFILE NO. 28

Priority: Second (medium term)

SUBSECTOR: Agro- and agro-based industries (food processing)

SUBREGION: West Africa

1. Project Title: Fruit-processing plant, Guinea

2. Objective: To rehabilitate a fruit-processing plant (with obsolete equipment) and to increase the processing and product range.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Ministry of Industry, Guinea. 4. Mamou, Guinea.	5. Pre-feasibility study available 6. Study on expanding the plant was initiated but currently in abeyance	7. Available. Existing factory uses locally available fruit for producing jam, marmalade, juices and tomato concentrates 8. Available. 9. Available, but equipment needs to be replaced.	10. Information not available 11. See 10 above	12. Capacity of rehabilitated plant still to be determined. 13. Estimated at $ 4.9 million	14. (a) Participation sought includes: capital (equity sharing, loans), technological know-how, external market, etc (b) Information is not available about Guinea having invited other countries in the subregion to participate in the project. (c) Manpower requirements are met.

PROJECT PROFILE NO. 29

Priority: First (short term)

SUBSECTOR: ~~Agro- and agro based industries~~ (forest industries) SUBREGION: West Africa

1. Project Title: Establishment of a pulp and paper board factory, Côte d'Ivoire

2. Objective: To use local products so as to avoid importing paper.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immedi e follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of Côte d'Ivoire 4. San Pedro, Côte d'Ivoire	5. Conceptual stage 6. Pre-feasibility studies and selection of technology	7. Available: various tropical leaves, pines and eucalyptus plantations of more than 200,000 ha established in San Pedro region. - Sawmill waste of about 50,000 t/yr - Recycled paper of 5 - 10,000 t/yr 8. Existing power: major hydro-electric potential 9. To be determined after feasibility studies.	10. Domestic demand: numerous packing manufacturing companies. - Manufacture of school and office articles - Many Ivorian printing presses - Demand in neighbouring countries: volume to be determined. 11. National and subregional market to be determined after feasibility studies.	12. Capacity: 50 - 100,000 t/yr 13. Total cost to be estimated after prefeasibility studies and the selection of technology.	14. (a) Project might be granted priority status (b) Industrial site might be secured and experimental plantations set up (c) Some infrastructure available (d) Technical and financial partners being sought.

PROJECT PROFILE NO. 30

Priority: First (short-term)

SUBSECTOR: Agro- and agro-based industries (others)

SUBREGION: West Africa

1. **Project Title:** Surgical/medical cotton project

2. **Objective:** To process cotton for medical and surgical uses; and to provide the cotton requirements of pharmaceutical organizations

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. The Government of Senegal 4. Industrial zone Dakar, Senegal	5. A feasibility study completed and a company "SICIOPHAR" established with a capital of CFA18.9 million established under the auspices of "SONEPI". (Societe Nationale d'Etudes et de Promotion Industrielle). 6. Arrangements are being made to purchase some equipment from the Federal Republic of Germany. Contacts will be established with a number of African countries for market purposes.	7. Available locally and from neighbouring West African countries. However, in the initial stage some of the raw materials will be imported from outside the subregion. 8. Energy will be supplied on adequate scale by the local electricity authority. 9. Adequate infrastructure available in the industrial zone.	10. Demand is estimated at 90 tons per annum 11. Local and subregional markets.	12. 300 tons in the first year and 500 tons a year by the fifth year when the project becomes fully operational. 13. Total investment: 750,000,000 FCFA Equity: 250,000,000,000 FCFA Loan: 500,000,000,000 FCFA	14. Project has strong linkages with the agricultural sector as it encourages local cotton production. It also aims at meeting the pharmaceutical and medical needs of the subregion. Numerous offers from technical partners have been received by SICOPHAR, which are currently being assessed.

PROJECT PROFILE NO. 31 Priority: First (short term)

SUBSECTOR: Building materials (cement and ceramics) SUBREGION: West Africa

1. Project Title: Establishment of a regional cement factory in the Liptako-Gourma region

2. Objective: To meet the needs of Liptako-Gourma region

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Liptako-Gourma Authority (Burkina Faso, Mali, Niger). 4. To be determined based on the pre-feasibility studies	5. At the design stage 6. Pre-feasibility studies and market-survey	7. Limestone : 166,000 t/annum; Marl : 200,000 t/annum; Sand : 11,000 t/annum; Gypsum : 10,500 t/annum; Pozzolana : 21,000 t/annum. These deposits are to be found in the Liptako-Gourma area. 8. Energy : Potential for use of hydro-electric power is high; construction of dams on the Niger at Kandadji, Tossaye and Labezanga: 458 MW 9. Physical infrastructure needs to be developed.	10. It is estimated that demand for cement in the subregion will be more than 400,000 t/ annum in 1990. 11. Countries of the Liptako-Gourma Authority	12. Capacity: 250,000 t/yr. This can be increased to 500,000 t/yr. The cement factory will produce 250,000 tons of cement per year and 200,000 tons of clinker per year. 13. To be determined on the basis of a pre-feasibility study.	(a) The project was submitted and adopted by the Council of Ministers of the Liptako-Gourma Authority (19th session) which met at Ouagadougou, 28 - 30 November 1983. (b) Consideration might be given to the establishment of mini-cement plants.

PROJECT PROFILE NO. 32

Priority: First (short term)

SUBSECTOR: Building materials (cement and ceramics)

SUBREGION: West Africa

1. Project Title: Establishment of a ceramics factory

2. Objective: To meet the demand for ceramics products in Togo and the subregion.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. The Togolese Government 4. Lome, Togo	5. Feasibility studies available and evaluation studies undertaken by BOAD. 6. Technical partners and local sponsors to be sought	7. Clay deposits at Lidjoblibo, Kpodji and Nyitoe have been identified as local sources of raw materials, the reserves being 1.4 million, 2.5-3.5 million and 3 million tons, respectively. 8. Available 9. Adequate	10. The residual market of the UMOA in 1985 estimates that 1,222,000 sq.m of floor stoneware will be needed. The market of the FRG is also interested in the project. Demand in 1985 will be 1,530,000 sq.m. 11. Markets of WAMU countries and Europe.	12. Non-enamel mosaic tiles: 2x2cm) 5x5cm) 150,000 sq.m Non-enamel floor tiles: 10x10cm) 10x20cm) 100.000sq.m Enamel floor tiles: 10x10cm) 10x20cm) 100,000sq.m 13. 3,000 million CFA francs.	14. The project has been submitted to the following partners: BOAD. It is prepared to finance up to 33.33% of total investment and, if possible, buy stock worth up to 10% of the share capital. Société Nationale d'Investissements du Togo is ready to subscribe 25% of the share capital and to finance up to 8.33% of the total cost of the project.

- Klingenberg. This German Industrial Group will be the trading partner in the European market.
- Assistance sought: Subregional partners to take up 35% participation in the share capital and to finance another 33% of the total cost of the project.

PROJECT PROFILE NO. 33

Priority: First (short term)

SUBSECTOR: Other projects

SUBREGION: West Africa

1. Project Title: Manufacture of glass containers, Liberia

2. Objective: To establish container industry and meet multi-country/subregional requirements

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. The National Investment Commission, Liberia (NIC). 4. Monrovia, Liberia	5. Construction of building nearing completion 6. Production scheduled to start 1986.	7. Silica sand locally available soda ash, limestone, dolomite, feld spar, cullets, borax, nitrate cobalt oxide, to be imported. 8. No information available 9. To be developed.	10. Bottles of various sizes for beverages, drugs and household use. 11. Countries in the subregion. Market survey indicates a large and growing demand for bottles.	12. 20.4 million bottles to be produced per annum during the first year of production. 13. Equity - Importex International PVT Ltd. $ 1.65 million, NIC $1.10 million, long-term loan $7.35 million; short-term loan for working capital US$0.8 million. Total US$10.90 million.	14. Company renamed Union Glass Corporation to reflect industry and market it aimed to serve.

Priority: Second (medium term)

PROJECT PROFILE NO. 34

SUBREGION: West Africa

SUBSECTOR: Other projects

1. Project Title: Manufacture of glass containers, CEAO Member States

2. Objective: To contribute to the production of pharmaceuticals, food products and liquids.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaborative arrangements already made and type of participation sought by member states
3. CEAO 4. CEAO Member States	5. Preliminary study conducted by CEAO with assistance of UNIDO in July 1984: prefeasibility study as well as raw materials survey conducted by MNJC in October 1983 and February 1984 respectively 6. Co-ordination of various activities completed hitherto.	7. Silica available in Member States 8. Not yet estimated 9. Very good	10. To be determined in the study 11. See 10 above	12. Needs of Member States 13. See 10 above	14. CEAO findings were considered by industrial experts in September 1984 and submitted to first meeting of CEAO Ministers of Industry in October 1984. MNJC experts had also considered the feasibility study and proposed that the project be located in Nigeria.

PROJECT PROFILE NO. 35

Priority: Third (long term)

SUBSECTOR: Metallurgical industry (iron and steel)

SUBREGION: West Africa

1. Project Title: Establishment of a sponge iron plant

2. Objective: To produce sponge iron for use in electric arc furnaces in the subregion.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Mano River Union in cooperation with CEAO and Liptako-Gourma Authority. 4. Possible locations include: Liberia, Guinea, Sierra Leone and Mauritania	5. Conceptual stage 6. Prefeasibility studies	7. A reserve of approximately 22,000 million tons of iron ore available in Liberia, Guinea, Sierra Leone and Mauritania. 8. Hydro-electricity: 51,200 MW; Natural gas: 1,200 billion cubic metres; Petroleum: 2,500 million tons 9. Infrastructure partially available	10. The demand for sponge iron in the subregion: 1.5-2.0 million tons/year. 11. Countries in the subregion	12. Initial capacity: 0.8 million tons of sponge iron per year with possibility of expansion to 1,5 million tons by the year 2000. 13. To be determined.	(a) This project was initially conceived as three separate projects which were presented to the Sixth Meeting of the Council of Ministers of Niamey MULPOC held at Cotonou, Benin, 21-26 March 1983 (b) In common with all the projects in this subsector, studies were carried out by ECOWAS, CEAO and NNJC. The CEAO study had been examined by CEAO experts prior to being submitted to CEAO Minister of Industry. (c) NNJC also undertook a preliminary study of the iron-ore deposits in Say, Niger, in 1984.

PROJECT PROFILE NO. 36

Priority: Third (long term)

SUBSECTOR: Metallurgical industry (iron and steel)

SUBREGION: West Africa

1. Project Title: Installation of electric arc furnace plants in the subregion

2. Objective: To install electric arc furnaces, based on sponge iron from sponge iron units in the subregion to supply billets to merchant product re-rolling mills in the subregion.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. ECOWAS and CEAO 4. To be determined	5. Conceptual stage 6. Prefeasibility studies	7. Sponge iron from project described in profile No. 35 8. Electricity 9. Infrastructure partially available	10. 1.5-2.0 million tons billets in 2000. 11. Countries in the subregion	12. Estimated at 1.5 to 2.0 million tons billets. 13. To be determined	(a) This project was initially conceived as two separate projects which were presented to the Sixth Meeting of the Council of Ministers of the Mismay MULPOC held at Cotonou, Benin, 21-26 March 1983. (b) See also 14(b) under project No. 35

PROJECT PROFILE NO. 37

Priority: Third (long term)

SUBSECTOR: Metallurgical industry (iron and steel)

SUBREGION: West Africa

1. Project Title: Installation and expansion of re-rolling mill in the subregion

2. Objective: To install and expand rolling mills capacity for merchant products and to supply the subregion with requisite merchant products up to 2000.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. ECOWAS, MRU and CEAO 4. Countries with relatively high demand for merchant products.	5. Conceptual stage 6. Prefeasibility studies	7. Billets from electric arc furnace plants within the subregion. 8. Electricity. 9. Plants will be preferably located in areas where infrastructure already exists.	10. 1.5-2.0 million tons per year by 2000. 11. Countries in the subregion	12. 1.5-2.0 million tons per year by 2000. 13. To be determined	(a) This project was initially conceived as two seperate projects which were presented to the Sixth Meeting of the Council of Ministers of the Niamey MULPOC held at Cotonou, Benin, 21-26 March 1983. (b) See also 14(b) under project No. 35

PROJECT PROFILE NO. 38

Priority: Third (long term)

SUBSECTOR: Metallurgical industry (iron and steel)

SUBREGION: West Africa

1. Project Title: Establishment of integrated iron and steel plant for flat and tubular products

2. Objective: To install an integrated plant to meet the demand for flat and tubular products in the West African subregional market (excluding Nigeria).

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This project was presented to the sixth meeting of the Council of Ministers of the Niamey-based MULPOC held at Cotonou, Benin, 21-26 March 1983, and was referred to the Inter-governmental Committee on Metals of the Niamey-based MULPOC. 4. To be determined.	5. Conceptual stage 6. Pre-feasibility studies	7. Subregional iron ore resources: 22,200 million tons 8. Subregional fuel and energy resources. Petroleum: 2,500 tons; Natural gas: 1,200 billion cubic metres; Hydro-electric potential: 51,200 MW. 9. Physical infrastructure will be created.	10. Subregional demand (thousand tons) Product / Year 2000 Flat 3,300 Tubular 2,000 5,300 11. Countries in the subregion (except Nigeria)	12. Total crude steel capacity will be 2 million tons 13. To be determined	

PROJECT PROFILE NO. 39

Priority: Third (long term)

SUBSECTOR: Metallurgical industry (iron and steel)

SUBREGION: West Africa

1. Project Title: Establishment of foundries.

2. Objective: To produce various grades of cast iron required for subregional engineering industries in 1990 and 2000.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up activities	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. This project will be referred to the Intergovernmental Committee on Metals of the Niamey-based MULPOC. 4. To be determined.	5. Conceptual stage 6. Studies to establish the quantity and quality of cast iron grades required for 1990 and 2000.	7. To be determined 8. See 7 above. 9. Will be located where infrastructure already exists.	10. See 7 above 11. Countries in the subregion	12. See 7 above 13. See 7 above	14. This project will be formulated according to the needs of the engineering industry programme.

PROJECT PROFILE NO. 40

Priority: Third (long-term)

SUBSECTOR: Metallurgical industry (non-ferrous metals)

SUBREGION: West Africa

1. Project Title: Processing of bauxite and aluminium, Ghana

2. Objective: To develop and utilize fully the bauxite resources of the country.

3. Promoter/ sponsor 4. Location	5. Project status 6. Immediate follow-up	7. Raw materials 8. Energy 9. Physical infrastructure	10. Projected demand by product 11. Market	12. Capacity by product 13. Total investment	14. Additional information including collaboration arrangements already made and type of participation sought by member states
3. Government of Ghana 4. Ghana	5. Pre-feasibility studies already conducted. 6. Further in-depth studies, including a fully fledged feasibility study.	7. Available locally. 8. Available, primarily electrical power from Akosombo dam. 9. Already well developed.	10. Information not available and to be determined in subsequent studies 11. Ghana, Nigeria and other countries in the subregion	12. See 10 above 13. $460 million	

SUPPORT PROJECT PROFILE NO. S1

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Assistance to the African Regional Centre for Engineering Design and Manufacturing (ARCEDEM)

2. Objective: To assist countries in the subregion in laying the foundation for and promoting accelerated, national and integrated development design and manufacturing capability in engineering goods, particularly capital goods in the strategic sectors of agriculture, transport and construction, the immediate objective being to ensure the purchase of machinery and equipment for production and training in engineering design and manufacture.

3. Promoter/sponsor	6. Project description and additional information
4. Location	
5. Estimated total cost	
Estimated cost of assistance	6. The original recognition of the need to establish ARCEDEM stemmed from the desire of the African Ministers of Industry to promote industries producing capital goods, especially those producing machinery and spare parts. A major obstacle was the inadequate development and, in some cases, the absence of any national capability for the conception and design of machinery and equipment. The mandate of ARCEDEM is to assist the African countries to develop the facilities and manpower needed for engineering design, and especially to promote the possibility of producing machines and parts locally. The Centre is conceived as a medium-sized industrial establishment with activities centred around the design and production of machines and parts.
3. ARCEDEM	
4. Ibadan, Nigeria	At present the Centre has 23 member countries and a staff of 32. UNDP has committed around $ 2.5 million to the Centre since 1978. As host country, Nigeria has pledged $7.5 million towards capital development, and member countries have so far contributed $ 3 million. Purchase of workshop, machinery and equipment for which funds are already committed will amount to US$ 1.8 million, by the end of 1984.
5. Estimated total cost	
(i) Training $500,000	It was estimated in 1978 that $ 7.65 million will be required to equip fully the Centre's four workshops. After 5 years delay, inflation has raised this amount to nearly $ 11 million, of which $ 2 million have been secured. Efforts are being made to mobilise funds from all possible sources to fill the gap. $ 1.5 million now being requested are part of the resources to be mobilised to acquire a minimum amount of machinery and equipment to make the four workshops functional.
(ii) Non-expendable equipment $ 1,000,000	
Total $ 1,500,000	

SUPPORT PROJECT PROFILE NO. S2

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Assistance to the African Regional Centre for Technology (ARCT)

2. Objective: To assist ARCT in strengthening its activities, primarily those related to demonstration activities, on-the-job training and the dissemination of information.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. ARCT 4. Dakar, Senegal and other countries in the subregion/region 5. $2.4 million	6. The assistance to ARCT would concentrate upon improving the effectiveness of the Centre's services in relation to (i) pilot plants and demonstration units for enhancing national skills and capacities for rural development; (ii) the demonstration and training units for renewable energy and food-processing technologies; (iii) development of consulting and engineering design capabilities; and (iv) the creation of a regional centre for technology information. Pre-feasibility studies and, in some cases, feasibility studies have been conducted in respect of the above proposals, all of which are at present hampered by the lack of finance. UNIDO has provided assistance in strengthening the technological information capability of the Centre in connection with the Technological Information Exchange System (See Annex II).

SUPPORT PROJECT PROFILE NO. S3

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Development of meat processing and allied industries

2. Objective: To develop totally integrated meat and allied industries in the countries of the subregion.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. Burkina Faso/Mali 4. Burkina Faso and Mali 5. Estimated at $ 3 million	(a) Background: Burkina Faso recently completed a feasibility study of its meat-processing industry and UNIDO also assessed the development potential of the industry in the Liptako-Gourma region. (b) Objective: To ensure the total integrated development of the meat processing and allied industries, starting from the slaughterhouse up to the processing of by-products, including skins and hides, and other meat products. (c) Activities: Project to be carried out in two phases: Phase I during which survey will be conducted to determine needs and define strategies; and Phase II during which strategies and programmes defined in the first phase will be implemented. (d) Proposed duration: 4 years

PPORT PROJECT PROFILE NO. S4

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Assistance to the West African Economic Community (CEAO)

2. Objective: To assist the CEAO Secretariat and member countries in strengthening their capabilities for planning, programming, establishment, appraisal and promotion of community industries.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. CEAO 4. CEAO secretariat, Ouagadougou, Burkina Faso 5. Estimated at $1.31 million.	6. (a) Immediate objective: (i) To carry out market and pre-feasibility studies for various CEAO industrial projects approved for implementation by CEAO and related to metallurgy, chemical industries, engineering, building materials industries and communications; (ii) to assist in deploying the various community industries within CEAO and in defining the responsibilities of the implementing countries and the role of the CEAO Secretariat; (iii) to assist the CEAO Secretariat and the member countries in organizing bids and financing for those community industries; (iv) to assist in the evaluation of engineering studies, supervision of plant construction, and manpower development; and (v) to propose statutes for those community industries identifying the operation of such enterprises, including raw material supplies, trading of finished goods and distribution of profit. (b) Expected output: (i) Study of the subregional market for the industries selected; (ii) prefeasibility studies of approved community industries; and (iii) determination of ways and means of establishing the community industries approved. (c) Proposed duration: 4 years.

SUPPORT PROJECT PROFILE NO. S5

Priority: first (short term)

SUBREGION: West Africa

1. Project Title: Development of local entrepreneurship (Directory of small-scale industrial project profiles)

2. Objective: To upgrade entrepreneurial industrial capabilities in the small-scale industry, thereby promoting the establishment of those types of small-scale and manufacturing industries required during the Industrial Development Decade for Africa (1980 - 1990).

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. African countries 4. ECA, Addis Ababa 5. Project personnel $166,000 Training workshops and study tours for African entrepreneurs $222,140 Equipment $12,000 Total $400,140	6. The project aims at assisting African countries in laying the foundation for the accelerated, rational and integrated development of the small-scale industry subsector with a view to satisfying basic consumer needs and development needs in rural and urban areas, as well as achieving the objectives spelt out in the programme for the Decade. The Directory of project profiles is expected to provide local small-scale industrial entrepreneurs with the detailed information and guidance they require for initiating, preparing and implementing small-scale industrial projects, with or without the help of extension services. It is envisaged that the directory of project profiles will be developed into a handbook for entrepreneurs and African investors interested in small-scale industrial promotion units. ECA undertook an initial project in this field (Reference : ECA/INR/SSI/WP/2 - Directory of Project profiles on small-scale industries in Africa) and the first issue of the directory is scheduled for wide distribution by the end of 1985.

SUPPORT PROJECT PROFILE NO. S6

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Development of the cotton textile industry

2. Objective: To improve utilization of existing capacities and establish new plants, if necessary, to process locally the cotton fibre that is currently exported.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. ECA/UNIDO 4. To be determined 5. Exploratory study: $ 40,000	6. Local cotton fibre production was of the order of 150,000 tons in 1982. Textile production is to be found in most countries producing enough fibre; however, at least one third of the textiles so produced are exported. On the other hand, the countries in the subregion import large quantities of cotton printed fabrics. Local processing of the cotton fibres currently exported would offer a number of advantages: greater foreign exchange revenue, better utilization of existing mills and facilities. An exploratory study will be undertaken to assess unused capacities, focusing on weaving mills in the subregion. The study will propose ways and means of processing locally the fibres now exported. The output or unbleached material will be either exported or used as inputs into local printed apparel factories. The study will determine the products to be manufactured and production requirements, as well as the countries to promote the project. Some action already initiated within the framework of the Textile Institute at Kano, Nigeria (see Annex II).

SUPPORT PROJECT PROFILE NO. S7 Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Assistance to the Economic Community of West African States (ECOWAS)

2. Objective: To assist ECOWAS in the formulation and implementation of subregional industrial policies and programmes in its member countries.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. Economic Community of the West African States (ECOWAS) 4. ECOWAS Secretariat, Lagos, Nigeria. 5. Estimated at approximately $ 3.9 million.	6. (a) Background: This project was endorsed by the ECOWAS Secretariat for submission to UNDP for funding. (b) Immediate objective: To assist ECOWAS member countries (through the ECOWAS Secretariat) in: (i) harmonizing the relevant industrial laws and regulations of the community so as to establish common subregional industries as well as formulate and implement industrial co-operation policies;(ii) surveying and identifying areas which lend themselves to development co-operation in the subregion; (iii) carrying out investment-oriented pre-feasibility studies in identified priority sectors; (iv) preparing and maintaining portfolios of investment proposals; (v) strengthening the capabilities of the ECOWAS Secretariat and appropriate governmental institutions in respect of investment promotion and policies so as to control foreign investment and other forms of international industrial co-operation; and (vi) establishing industrial documentation and organizing training programmes on regional project identification, preparation and investment follow-up in the form of seminars and fellowships or through participation in consultancy work. (c) Proposed duration: 5 years (d) Additional information: UNIDO provided the services of an expert to assist in strengthening the secretariat's industrial planning capabilities.

SUPPORT PROJECT PROFILE NO. S8

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Assistance to ECOWAS in the development of an industrial training programme

2. Objective: To prepare a comprehensive inventory of facilities for industrial training in the subregion and strengthen a number thereof in order to improve the training of the industrial manpower required in the subregion.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. ECOWAS 4. ECOWAS Secretariat, Lagos, Nigeria. 5. To be determined.	6. (a) Background: The project is still at the conceptual stage and will have to be discussed before finalization. (b) Objective: The project will provide a complete survey of all training facilities/schemes in the subregion on the basis of which comprehensive subregional training programmes can be prepared and implemented.

SUPPORT PROJECT PROFILE NO. S9

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Development of industrial consultancy and management capabilities

2. Objective: To develop and strengthen industrial management and consultancy institutions/policies with a view to improving industrial management and consultancy in the subregion.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. ECOWAS 4. ECOWAS Secretariat Lagos, Nigeria. 5. To be determined.	6. (a) Background: The project is still at the conceptual stage and will have to be finalised. (b) Objective: To develop and strengthen industrial management and consultancy institutions and policies in order to implement effectively the subregional industrial development programme.

SUPPORT PROJECT PROFILE NO. S10

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Assistance in the design of an integrated industrial development programme in the Liptako-Gourma region

2. Objective: The first phase consists of defining the industrial development strategy for the Liptako-Gourma area and determining the priority projects, the development of which will enhance the economic growth of the entire region. In the second phase, prefeasibility studies will be prepared and industrial promotion activities undertaken.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. The Liptako-Gourma Authority (Burkina Faso, Mali, Niger) 4. Directorate-General of the Liptako-Gourma Authority 5. a) UNIDO contribution the first phase (May to Nove. 1982): $1,094,000 b) To be determined for the second phase.	6. Phase I was implemented between May and November 1982. The mission report was submitted to the Council of Ministers of the Authority and 3 (three) subregional scale projects were selected: - a phosphate fertiliser factory - a steelworks factory - a cement factory The objectives of Phase II are: - to prepare market studies - to undertake prefeasibility studies - to help develop procedures - to give assistance to the Directorate-General of the Liptako-Gourma Authority - to give assistance to the Directorate-General and the member countries - to train staff for the Directorate-General of the Liptako-Gourma Authority. UNIDO provided further assistance related to the first pahse and contributed to the identification of potential projects which should be covered by prefeasibility or feasibility studies in second phase, if funds are available (see Annex II).

SUPPORT PROJECT PROFILE NO. SI1

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Establishment of a Mano River Union technology centre

2. Objective: To assist member states of the Union to initiate, formulate, implement, review, appraise and design new types of technology appropriate to their industries.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. Mano River Union 4. To be determined. 5. To be determined by future study, but it can be estimated that an amount of $d million will be required for the first stage	6. The project is intended to assist countries in the Union to develop and acquire appropriate industrial technology for local uses. Details for financing the project as well as terms and conditions upon which it will be managed are yet to be determined.

SUPPORT PROJECT PROFILE NO. S12

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Establishment of a Union coastal shipping enterprise

2. Objective: To expedite the movements of persons and goods and thereby enhancing the rapid development of Union industries and trade.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. Mano River Union 4. To be determined 5. Feasibility study without detailed technical engineering about $ 0.3 million - Project implementation cost $5-10 million	6. The project is intended to improve on the quality and quantity of transport facilities within the Union so as to expedite the free movement of persons and goods in order to enhance the development of industries and trade within the Union. The project had been the subject of a preliminary study: precise details of inputs and outputs will have to be worked out later. Both ECOWAS and CEAO have mooted related projects.

SUPPORT PROJECT PROFILE NO. S13

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Establishment of an industrial and technology fair serving the member states of the Mano River Union

2. Objective: To promote and develop intra-Union trade in industrial products manufactured by member of the Mano River Union.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. Mano River Union 4. Within the member countries of the Union, i.e. Liberia, Sierra Leone and Guinea. 5. $ 546,000	6. (a) Background: The project emerged from the Union's assessment study on the level of technology within the Mano River Union Member States. (b) The project aims at promoting the flow of industrial and technology information within the Union.

SUPPORT PROJECT PROFILE NO. S14

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Establishment of a Mano River Union Financing Institution

2. Objective: To propose a detailed scheme for the establishment of the insitution up to operational stage for implementation within the framework of the Decade programme.

3. Promoter/sponsor	6. Project description and additional information
4. Location	
5. Estimated total cost	
3. Mano River Union	6. With the assistance of an expert experienced in setting up and developing financing institutions, the project provides for a sequence of stages:
4. To be determined	(i) Contacting various prospective financing institutions so as obtain information on possible capital structure and operation of the financing mechanism
5. Adviser $60,000	(ii) Preparing draft statutes and operational manual, as well as financial and accounting regulations
Secretary $10,000	(iii) Drawing up a draft agreement for the establishment of the institution
Travel expenses $10,000	(iv) Convening a meeting of Government authorities to review and adopt agreement, statutes and regulations for the operation of the institution.
Contingencies $ 8,000	
$88,000	

SUPPORT PROJECT PROFILE NO. S15 Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Processing of fish and other seafoods

2. Objective: To expand existing plants and/or develop new plants for processing fish and other sea foods for the purposes of import substitution and export.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. MRU 4. MRU Secretariat, Freetown, Sierra Leone 5. Exploratory study: $40,000	6. Fish canning plants are operating in the subregion in such countries as Senegal and the Côte d'Ivoire but output lags far behind the subregional demand, particularly that for canned tuna. West African coastal waters are rich in halieutic resources and increased consumption of fish by the population would help to combat current protein deficiencies in the subregion. An exploratory study will be conducted to assess potential demand, determine suitable products such as canned tuna, fish-protein concentrate and shrimps, and identify manpower requirements. The exploratory study, which will be followed up by a pre-feasibility study, if needed, will also propose the country or countries best suited to promote the investment project(s).

SUPPORT PROJECT PROFILE NO. S16

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Pharmaceutical industry development centre, Nigeria

2. Objective: To establish a pharmaceutical industry development centre equipped with a pilot plant and laboratories.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. Nigeria 4. Nigeria 5. Estimated at $ 2.5 million	6. (a) Background: Project endorsed by the ECOWAS Secretariat for funding by UNDP. (b) Objectives: (i) To improve existing production facilities and adapt new formulation technologies; (ii) to expand existing production units; (iii) to establish new facilities, especially for the production of basic drugs; (iv) to carry out quality control of raw materials and locally-manufactured pharmaceuticals; (v) to train personnel in pharmaceutical production; (vi) to utilize local resources, including medicinal plants; (vii) to prepare feasibility studies, industrial design and economic evaluations for the establishment of pharmaceutical plants; and (viii) to meet in part subregional demand for pharmaceuticals by means of experimental production. (c) Expected output: Establishment of a pilot plant with R+D laboratories; (ii) development of new pharmaceutical products; (iii) training of manpower; and (iv) analysis of problems faced by pharmaceutical industry. (d) Proposed duration: 4 years

SUPPORT PROJECT PROFILE NO. S17 Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Subregional development centre for hides, skins, leather and leather products, Zaria, Nigeria.

2. Objective: To establish a subregional development centre for hides, skins, leather and leather products at the Leather Research Institute (LERI), Zaria, Nigeria.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. ECOWAS 4. Zaria, Nigeria. 5. Approximately $ 1.15 million	6. (a) Objectives: Having established a centre providing needs-based professional training in the subregion, (i) to organize regular training courses (long- and short-term) in such areas as raw material improvement, by-product utilization, leather and footware technology, marketing; (ii) to assist in project formulation, analysis and assessment in order to improve the technical bargaining capability of the countries in the subregion; (iii) to provide extension services for technical trouble-shooting and industrial advice; and (iv) to provide technical services pertaining to hides, skins, leather and leather products. (b) Expected output: (i) Raw hides and skins of improved quality and better utilisation of by-products (ii) increased output of finished leather and manufactured leather products; (iii) leather and leather products of improved quality; (iv) increased number of trained personnel (all levels); and (v) improvement of facilities at LERI to assist the countries in the subregion in R+D, quality control, training, marketing and other aspects of the leather industry. (c) Proposed duration: 3 years (d) Additional information: The Centre is one of the "centres of excellence", in UNIDO training programme and a long-term co-operation programme has been proposed (see Annex II).

SUPPORT PROJECT PROFILE NO. S18

SUBREGION: West Africa

1. Project Title: Assistance to NNJC

2. Objective: To provide technical assistance to the Nigeria-Niger Joint Commission with a view to enhancing its project implementation and industrial promotion capabilities

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. NNJC 4. NNJC Secretariat 5. To be determined	Following on the pre-feasibility and feasibility studies conducted by UNIDO, the project will be concerned with the promotion of the projects covered by those studies. The Joint Commission and the two member countries are particularly interested in ensuring the effective implementation of projects identified, the promotion of which would be undertaken with the assistance of other sources of finances such as the OPEC Fund, ADB or BADEA, as well as bilateral institutions.

SUPPORT PROJECT PROFILE NO. S19 Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Assistance to the Organization for the Development of the Senegal River Basin (OMVS)

2. Objective: To increase the resources of the High Commission and OMVS member states in respect of the programming, establishment, appraisal and promotion of community industries.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. Organization for the Development of the Senegal River Basin (OMVS) 4. The OMVS High Commission, Dakar, Senegal 5. $1.5 million	6. a) Immediate objectives (i) To establish an industrial data bank to cover national plans and the actual development of member states, the planning, and development of the various regions of the Senegal River Basin, the current state of industrialization within the macro-economic context of the CEAO, the planning and development of vocational training, etc. (ii) To prepare pre-feasibility studies; identify and elaborate community projects (iii) To assist member states in their search for financing b) Expected production (i) Establishment of an energy, industrial, mineral and agro-industrial plan for the Senegal River Basin (ii) Feasibility studies for approved projects (iii) Promotion of projects (iv) Development of estimated follow-up structures for the execution of 4 projects and appraisal of their results. c) Proposed duration: 3 years d) Additional information: OMVS had set up an inter-State committee for industrial development as well as a regional planning committee.

SUPPORT PROJECT PROFILE NO. S20

Priority: First (short term)

SUBREGION: West Africa

1. Project Title: Establishment of a Togolese National Centre for Technology Development, Togo

2. Objective: To provide the industrial sector with fundamental technical planning and production capability essential to strengthening local training capacities in repair and maintenance, production of spare parts, development of new products, adjustment and adaptation of equipment, and improvement of traditional technology.

3. Promoter/sponsor 4. Location 5. Estimated total cost	6. Project description and additional information
3. Government of Togo 4. Lomé and Kara (Togo) 5. $1,050,000	6. Within the framework of its technical promotion policy, the Government of Togo requested assistance in the conduct of a preliminary study related to the establishment of the centre. The study was jointly undertaken by ECA, UNIDO and ARCEDEM in June/July 1984. The findings confirmed the need for a National Technology Centre, which would utilize the equipment available in the central mechanical workshops run by CNPPME at Lomé and Kara and by UPROMA at Kara. UNDP funding has been secured for the feasibility study which will be carried out in the near future.

ANNEX 4: INTRA-WEST AFRICAN TRADE

At present, the level of African trade is quite low. It is estimated at between 5 - 10% of total external trade of the continent.

In West Africa, most of the external trade is with countries outside the subregion (see Annexes 1,2,3 & 4). For example, between 1967 and 1973, only 8% of total trade was with countries within the subregion (Annex 4). A disquieting trend is that while within the past few years external commercial exchanges of African countries have increased slightly, intra-regional trade has declined. In the case of Togo (Annex 1), there was a remarkable increase in trade with some countries of the subregion; imports however, took a downward plunge from 17.35% in 1980 to 2.8% in 1981 and 4.28% in 1982. (Reasons: Restrictions in Togo). Within the six states of Economic Community of West Africa CEAO, there has been a more encouraging trade flow. (see Annexes 5 & 6). About 75% of the intra-trade is in industrial (manufactured) products. In fact, it is common to find the same industries and industrial development programmes on both sides of a common border.

Obstacles to Trade in West African Subregion

- (1) Many of the countries produce similar range of goods. Thus West African Economies far from being complementary generate competition.
- (2) Inadequecies in transport facilities. These impede the development of trade.
- (3) Plurality of monetary zones - the Franc zone and the Sterling zone.

This represents a negative element in the growth of external trade. Trade settlements are made in the major reserve currencies - thus Dollar, the French Franc and the Pound Sterling. Processing of payment orders for bills are done by foreign banks located in U.S.A., France and U.K. The disadvantages of such practice include

(a) delays in settling payments;

(b) the high cost of service performed by intermediaries, and

(c) the imprudent use of foreign exchange reserves for non-priority items.

(4) Existence of exchange controls in the different countries within the subregion. This has:

(a) introduced rigidity in transactions, and

(b) made for an excessively long and costly administrative procedure in monetary transfer operations.

As there is no international exchange market within the West African subregion, nearly all transfers between countries of the Franc Zone and those of the former sterling area are channelled mainly through correspondent banks in London and Paris. Remittance charges for these transactions range between ½% and 1%. In addition to these charges are cable and postage charges. In order to avoid these sort of charges some countries have resorted to <u>bilaterial trade agreements</u>.

It is interesting to note that 75% of recorded trade flows within the subregion is accounted for by members of the Franc zone while the remaining 25% is among member of the former sterling area. This is explained by the fact that transactions among countries in the same monetary area are easily settled in the currency of that area. In the case of countries of the West African Monetary Union, there is a common currency - the CFA franc - and all transfers within the area are free regardless of amount, category, or destination.

TOGO

Exports

CFA Billion

	1978	1979	1980	1981	1982
Africa	6.3(11.62)	5.8(12.5)	18.8(26.37)	10.8(18.78)	14(24.05)
Ivory Coast	1.8	0.5	2.2	2.5	4.6
Ghana	0.1	0.9	1.0	2.8	4.0
Nigeria	1.9	2.9	7.2	1.4	0.6
Europe	42.6	37.7	46.1	45.3	42.7
Others	5.3	2.9	6.4	1.4	1.5
Total	54.2	46.4	71.3	57.5	58.2

Imports

CFA Billion

	1978	1979	1980	1981	1982
Africa	14.6(14.48%)	16.5(14.97%)	22.9(19.67%)	7.9(6.71%)	12.6(9.81%)
Ivory Coast	1.3	1.0	1.1	1.5	3.7
Ghana	0.5	0.3	0.6	0.8	0.5
Nigeria	11.9	13.8	18.5	1.0	1.3
Europe	73.8	75.6	72.0	81.6	84.2
Others	12.5	18.1	21.5	28.3	31.6
Total	100.9	110.2	116.4	117.8	128.4

Sources: Conference des Bailleurs de Fonds pour le Developpement du Togo - Rapport.

BENIN

Imports, 1984

Area	Metric tons Quantity (t)	Billion CFA francs Value
CEAO	116,364.61	21.637
CEDEAO (ECOWAS)	6,045.706	1.92 5.23% of total imports
CCCE	477.31	0.55
OTHERS	20,976.44	5.57
TOTAL	143,864.115	36.68

Exports, 1984

Area	Quantity (t)	Value (CFAF)
ECOWAS (CEDEAO)	11,059.1353	3,834,140,650 (13,48% of total exports)
OTHERS	60,676.4060	24,579,833,903
TOTAL	71,735.5413	28,413,974,553

Sources: Bureau d'Information Commerciale de la Direction du commerce Exterieur du Ministere du Commerce, de l'Artisart et du Tourism.

IVORY COAST

Exports to:

	% of total value		
	1977	1978	1979
France	25.7	23.4	24.0
Netherlands	15.1	18.7	17.0
USA	11.7	15.6	10.0
Italy	9.5	5.7	-
West Germany	5.4	4.7	-
ECOWAS	7.4	6.5	-

Imports from

	% of total value		
	1977	1978	1979
France	39.4	39.3	36.4
USA	7.6	5.2	6.7
West Germany	7.4	7.2	5.0
Japan	5.2	7.3	6.0
Netherlands	4.2	3.9	4.0
Italy	3.3	3.9	4.0
Nigeria	3.7	2.7	2.7

Sources: The Economist, Annual Supplement 1980

6 Member of CEAO - Ivory Coast, Mali, Mauritania, Niger, Senegal, Burkina Faso.

Imports/Exports Into West African Countries
1969 - 1973

U.S. $ Million

Countries	Internal Trade		Intra-West African Trade			
	Imports(1)	Exports(2)	Imports(3)	Exports(4)	(3) of (1)	(4) of (2)
Senegal	1289	872	18	37	1.4	4.2
Ivory Coast	2286	2845	85	151	3.7	5.3
Burkina Faso	296	111	72	54	24.3	48.6
Benin	393	191	24	15	6.1	7.9
Togo	408	283	25	7	6.1	2.5
Niger	268	203	30	26	11.2	12.8
Mali	246	107	46	26	18.7	24.3
Gambia	115	92	3	neg.	2.6	-
Sierra Leone	622	556	28	5	4.5	0.9
Ghana	1903	2127	71	15	3.7	0.7
Nigeria	7153	9111	23	119	0.3	1.3
Liberia	799	1309	10	9	1.3	0.7

Sources: Direction of Trade: IMF and IBRD.
Annual Report 1969 - 1973

Intra-CEAO Trade on Products: 1974 - 81

Imports

% of total import

	1974	1975	1976	1977	1978	1979	1980	1981
Ivory Coast	33.77	[illegible]	39.[illegible]	48.53	[illegible]	[illegible]	[illegible]	[illegible]
Burkina Faso	11.11	8.79	11.[illegible]	1.[illegible]	[illegible]	11.[illegible]	11.[illegible]	11.[illegible]
Mali	14.85	8.39	13.013	9.01	15.3	5.12	5.73[illegible]	8.[illegible]
Mauritania	4.95	3.13	4.5[illegible]	21.46	7.67	7.[illegible]	5.876	5.85
Niger	4.48	27.39	2.736	3.43	4.64	4.45	6.516	6.746
Senegal	30.34	26.61	28.445	29.85	19.58	17.01	13.075	16.[illegible]

Exports

% of total export

	1974	1975	1976	1977	1978	1979	1980	1981
Ivory Coast	44.6	38.17	51.975	48.13	30.[illegible]	31.15	24.769	35.95[illegible]
Burkina Faso	2.79	5.26	0.197	0.8[illegible]	0.19	0.6[illegible]	2.318	1.239
Mali	17.33	6.99	16.242	7.25	19.38	16.34	13.258	1.374
Mauritania	1.52	0.94	0.219	0.06	0.05	0.75	0.673	3.[illegible]81
Niger	5.62	2.16	2.43	0.63	0.26	0.29	0.248	0.312
Senegal	28.14	46.48	28.937	43.05	41.31	50.81	59.234	57.19

Source: CEAO

INTRA-CEAO TRADE ON INDUSTRIAL PRODUCTS: 1974-1981

Imports

% of total imports

	1974	1975	1976	1977	1978	1979	1980	1981
Ivory Coast	19.804	9.834	14.938	10.494	14.364	9.560	6.271	7.389
Burkina Faso	16.193	14.054	10.969	9.135	15.201	16.253	14.493	14.054
Mali	33.505	53.273	35.305	31.81	27.518	33.575	52.403	44.064
Mauritania	11.178	8.796	12.675	18.968	14.698	10.785	9.502	12.221
Niger	7.591	5.251	12.646	17.727	16.548	15.614	9.575	12.607
Senegal	11.256	8.792	13.447	11.866	11.671	13.511	7.763	9.105

Exports

% of total exports

	1974	1975	1976	1977	1978	1979	1980	1981
Ivory Coast	50.388	67.065	55.097	57.526	55.935	66.359	72,101	65.879
Burkina Faso	4.670	1.852	1.091	2.086	2.502	1.768	2.560	1.490
Mali	2.259	1.320	1.062	1.074	1.342	2.586	0.910	1.316
Mauritania	0.024	0.050	0.024	0.452	0.006	0.039	0.170	0.443
Niger	0.798	0.243	0.296	0.452	0.152	0.179	0.286	0.043
Senegal	41.870	29.470	42.43	38.849	40.065	29.069	23.973	30.829

Source: CEAO

MINERAL RESOURCES OF THE 16 ECOWAS COUNTRIES

x = Exploited

o = Unexploited

COUNTRIES

MINERAL RESOURCES	Benin	Burkina-Faso	Cape Verde	Gambia	Ghana	Guinea	Guinea-Bissau	Ivory Coast	Liberia	Mali	Mauritania	Niger	Nigeria	Senegal	Sierra Leone	Togo	POSSIBLE SUBREGIONAL INDUSTRIAL PROJECT(S)	REMARKS
1. Bauxite					x	x				o					x		a. Establishment of an aluminium plant b. Aluminium plant for household utensils building and construction c. Packaging d. Irrigation equipment	Ghana has proposed to Nigeria that sub-regional project be established jointly. For energy and telecom. cables and various metallic uses. For building and construction industries.
2. Clay	o	o											x		o	x	a. Ceramics b. Building bricks and tiles c. Refactory plant	A survey of the types and qualities of deposits necessary.
3. Coal													x					Useful source of energy, coke for iron and steel, ammonia, fat and dyes.
4. Columbite													x					For various metallic uses.
5. Copper		o									x						a. Cooper Processing Plant b. Cooper and Copper alloy products (cables, wires, etc.) c. Transformers	Useful in Energy sector products. Copper sheets and several other processed intermediate goods. Various forms of cooper fabrication.
6. Diamond					x	x		x	x						x			Industrial Diamonds for cutting etc. Ornamental uses
7. Gold		x			x	o			o	o					x			Ornamental uses.
8. Iron Ore						x		o	x	o	x		x	o	x		Iron and Steel Products a. Agric. Equipment, silos machinery b. Transport: Waggons etc. c. Engineering: Machines d. Building and Construction: Iron rods	Iron ore occurs in at least 8 countries. Next to clay, it has the highest incidence in the subregion. A comprehensive study of an integrated approach to its exploitation has been recommended.

MINERAL RESOURCES OF THE 16 ECOWAS COUNTRIES

x = Exploited

o = Unexploited

COUNTRIES

MINERAL RESOURCES	Benin	Burkina-Faso	Cape Verde	Gambia	Ghana	Guinea	Guinea-Bissau	Ivory Coast	Liberia	Mali	Mauritania	Niger	Nigeria	Senegal	Sierra Leone	Togo	POSSIBLE SUBREGIONAL INDUSTRIAL PROJECT(S)	REMARKS
9. Lignite															o			A useful fuel intermediate.
10. Limestone						o							x			x	Cement	Exploited for cement and other building and chemical uses.
11. Manganese		o			x			x										An important component for metallic alloys
12. Marble													x					Used extensively in the building industry
13. Molybdenum															o			Used to harden steel.
14. Petroleum and Natural Gas								x					x				a. Petro-chemical industries b. Pharmaceutical c. Urea Ammonia for nitrogenous fertilizers d. various other uses e.g. Bitums/ Asphalt for road construction.	Perhaps the most useful source of intermediate products for industrialization. A source of several by-products and strong linkages with almost all industrial sub-sectors.
15. Phosphate		o								x	o	o		x		x	a. Phosphoric acid plant (proposed for Togo). b. Phosphate fertilizers	Useful linkages with chemical and agricultural sectors
16. Platinum															o		Alloys and Catalysts	
17. Rutile															x		Processing as an intermediate product for the paint industry	Strong linkages with the Building and construction industry.
18. Salt			o									o		x			Table salt, manufacture of sodium bicarbonate, bleaching powder, chlorine, etc.	A basic requirement of the people with strong linkages with the chemical sector.

MINERAL RESOURCES OF THE 16 ECOWAS COUNTRIES

x = Exploited

o = Unexploited

COUNTRIES

MINERAL RESOURCES	Benin	Burkina-Faso	Cape Verde	Gambia	Ghana	Guinea	Guinea-Bissau	Ivory Coast	Liberia	Mali	Mauritania	Niger	Nigeria	Senegal	Sierra Leone	Togo	POSSIBLE SUBREGIONAL INDUSTRIAL PROJECT(S)	REMARKS
19. Soda Ash						o											a. Glass (container flat sheets) Glass b. Caustic Soda c. Soap	Strong linkages for containers with the pharmaceutical, chemical, agro sectors, as sheets, with the Building industry. Caustic Soda: A useful intermediate product in the chemical industry. Soap: A basic requirement of the people.
20. Tin Ore													x				a. Tin processing for containers b. Alloys and plating	Used extensively for containers and as alloys
21. Uranium												x						A source of energy
22. Ilmenite									o									
23. Kaoline									o								Manufacture of porcelain - Chinaware	
24. Quartz									o									A type of precious stone

This list, by no means, contain all the numerous deposits of the sub-region.

Other Projects Proposed for Addition to Part B of the Programme after Further Review or the Completion of Satisfactory Feasibility Studies

	Project Title and Location	Remarks
1.	Manufacture of Diesel-Engine for Irrigation Pumps and Generators. Location: Guinea	Please see Comments and recommendations on this project (No.8) on Table 3.2: Status of Implementation. Does not appear to be resource based but it meets basic needs.
2.	Leather Tanner Project Location: Niger	Experts in the field advised that the project is better undertaken at the craft level. The proposal needs to be reviewed.
3.	Glass Containers Location: Senegal	Project not resource based but it meets local demand. Project therefore needs to be reviewed.
4.	Electric Bulbs Location: Senegal	Same as (3) above.
5.	Paper and Pulp Project Location: Ghana	The African Development Bank is sponsoring a study on the establishment of this project. The project will need to be reviewed on the completion of the study.
5.	Petro-Chemical Complex Location: Nigeria	Nigeria needs co-operation in implementing Phase II of petrochemical project designed as feedstock to produce Ethylene and Popylene which are basic products for a large number of chemical and pharmaceutical industries. Phase I (about to be completed) will produce basic in-puts for plastics, synthetic fibres, tyres, detergents and paints solvents by 1986. It is recommended that the project be reviewed.