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REGENERATING AFRICAN INDUSTRY: PRE-DIAGNOSTIC COUNTRY SURVEYS

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FOREWORD

Recognizing the crisis facing Africa, the African Heads of State and Governments proclaimed the 1980s as the Industrial Development Decade for Africa. In a subsequent General Assembly Resolution 36/66B, UNIDO was called upon to formulate, in co-operation with the Secretariats of the OAU and th ECA, proposals to implement the programme for the Industrial Development Decade for Africa (IDDA).

In response, the Director-General submitted, inter alia, to the third session of the Programme and Budget Committee, an integrated multidisciplinary approach to the problem of industrial rehabilitation in Africa (PBC.3/CRP.16). This was favourably reviewed by the Committee which recommended that it be included in UNIDO's 1988/89 budget. Subsequently, the General Assembly adopted this recommendation with the result that the industrial rehabilitation programme is an integral part of UNIDO's 1988/89 Programme Budget.

The purpose of this study, consisting of short surveys of all African countries, is to enable the identification of potential candidates for in-depth pre-diagnostic rehabilitation studies. These studies are to be carried out by UNIDO's Regional and Country Studies Branch. It is recognized that the environment in which African industry operates plays a crucial role, both determining many of its problems and the scope for successful restructuring and rehabilitation. Therefore, the reviews do not only provide information on industry and ongoing rehabilitation efforts, but also on the general economic and political situation and on manufacturing policies.

The structure of the country surveys is as follows:

1. General introduction

2. The manufacturing sector:
   - overall structure/performance
   - major branches
   - exports/imports.

3. Obstacles to production

4. Policies directed towards the manufacturing sector

5. The scope for rehabilitation
   (this includes references to ongoing projects)

6. Recommendations for UNIDO follow-up action.

In a concluding chapter, criteria for a preliminary selection of countries for follow-up studies is presented. The appendix contains a list of approved and operational UNIDO projects and selected references to World Bank rehabilitation studies and projects. A list of the available UNIDO Industrial Development Reviews for Africa is also appended.

It should be stressed that due to time limitations only readily available information could be used in the drafting of the country surveys and a certain unevenness in the exposition could not always be avoided. Also, the length of the reviews had to kept down to a minimum This, among others, precluded the systematic inclusion of post-1985 data and especially a systematic exploration of plant-level performance, problems and rehabilitation efforts.

Readily available macro-level data on the countries studied have been appended to this report.

Apart from executing the in-depth studies referred to above, REG intends to expand and up-date the present continent-wide survey. These country profiles will _inter alia_ contain a basic statistical data fact sheet, of which a model has been appended. The profiles which in a condensed form will contain all relevant information pertaining to industrial restructuring and rehabilitation, will be available as a basis for the identification of future trends and needs with regard to these issues.

ALGERIA

1. General introduction

Algeria is politically very stable, with a competent, and in recent years increasingly pragmatic leadership. Although differences of opinion do exist among the leaders, there is little risk such differences would be allowed to develop and threaten the stability. The challenges facing Algeria, however, are enormous as indicated by the population growth, unemployment rate, dwindling oil reserves and increased competition on world gas markets. Algeria therefore badly needs its political stability and also continued, as well as, increased willingness to try new and undogmatic solutions. Over time it seems unavoidable the country will loose much of the economic strength it has enjoyed in the past. With continued pragmatism, however, it will avoid major crises.

Until recently economic growth has been rapid in Algeria. This relatively favourable growth is attributable to the steady expansion of the hydrocarbons sector. In the early days of independence, oil fuelled economic development. However, oil reserves have been falling fast, and since 1973 oil production has declined. Meanwhile, natural gas production and exports has increased and it is Algeria's gas export potential that now determines the country's importance in the global energy situation rather than its oil production. Proven oil reserves will last for only about 25 years at current rates of production, while Algeria ranks fifth in terms of world gas reserves and it has become the third largest supplier of gas to the EC, behind Norway and the USSR, with a quarter of sales to the EC in 1986.

The rate of economic growth was particularly high during the years of sharp oil price rises, with GDP growing in real terms by over 8 per cent a year in 1978-79, and by 16.7 per cent in 1980. Since then, however, oil prices have slumped. Thanks to early efforts to diversify from crude oil into refined products, and, even more importantly, into natural gas production, the impact of falling oil prices was for several years milder for Algeria compared to most other OPEC countries. Nevertheless, according to the IMF, the result has been a sharp decelaration in GDP growth, with annual real growth rates coming down from around 5 per cent in 1981-83 to virtual nil in 1986, and with only a marginal upturn in 1987.

GDP per capita was $2190 in 1984, i.e. more than twice the average for developing countries in total, and more than three times higher than the average for Africa. Although the rate of population growth is very high in Algeria - 3.1 per cent - the average annual rate of growth in GDP per capita was maintained at positive levels until the slump in recent years. For the period 1970-84 the average annual rate of per capita GDP growth was 3.1 per cent. However, there was no growth recorded between 1983 and 1987, reflecting the impact of collapsing oil prices and tighter market conditions for the gas export, which is of vital importance to the economy of Algeria. Hydrocarbons accounted in 1984 for 28.6 per cent of Gross Domestic Product and around 97 per cent of all export revenues.

Algeria had already begun to tackle the crucial problem of "l'apres petrole" before oil prices started to slide. In the early days of independence the development plans gave priority to heavy industries, which could take advantage of cheap energy. In the two latest five year plans, however, the focus has changed to lighter industries and agriculture as well as a less centralised system of economic decision making. Although some effects have been recorded, the food deficit especially is a source of constant concern to Algeria. For example, only 29 per cent of cereals needs were covered by imports in 1970-73, but 65 per cent by 1979-82. For eggs and dry vegetables the situation was even worse, but has now taken a sharp turn for the better. Still only around 35 per cent of total national needs are covered by national production, and it will take a long time in order for the overall food deficit to be eliminated. Hence hydrocarbons will be the lynchpin - and Achilles heel - of Algeria's economy for the foreseeable future.

By many regarded as a crucial factor in the economic policies of later years are the efforts by the government to encourage private enterprise - depreciation of the Algerian dinar has been one way of doing this. In the agricultural sector privatisation is politically less controversial than in industry, and it has led to some successes, as illustrated above by the advances made in the production of some food items. However, in industry and commerce there has been little response. In 1977 the state controlled around 90 per cent of the industrial sector, and it is unlikely the figure has changed more than marginally ever since.

Always a heavy borrower, Algeria's external balance has become precarious in recent years. The trade balance recorded its first deficit for many years in 1986, producing a substantial deficit on the current account, since Algeria has a negative net on the services account. In years of less dramatic falls in export revenues, Algeria has been able to maintain a positive trade balance by reducing imports, notably consumer products and non-essential food stuffs. This is illustrated by the fact that between 1984 and 1987 imports were reduced by more than 40 per cent. External debt, which was reduced from $16.3 bn in 1980 to $12.2 bn by 1984, according to the World Bank, has risen substantially in recent years. OECD/BIS data record a total debt of $24 bn by the end of 1985, an amount which will have increased since then. In terms of share of GNP, this is approximately 45 per cent, i.e. high but not alarmingly so. The debt service ratio, on the other hand, is by some analysts put as high as 63 per cent in 1986, although the World Bank reports a considerably more modest 33 per cent.

2. The manufacturing sector

The manufacturing sector accounted for only 5.4 per cent of GDP in 1970, but by 1984 the share had risen to 9.2 per cent, reflecting the emphasis put by the governments on developing an industrial base in the Algerian economy. In terms of average annual rate of growth, this has meant 10.5 per cent per year during the period 1970-84, which is more than twice as fast as for the developing countries of the world as a whole.

Despite the advances made in expansion of heavy industries, food products remained (in 1985) the largest of all manufacturing sub-sectors in terms of gross output and value added. The share of food products in gross output was 22.1 per cent in 1985 and the share of value added in the same year was 17.3 per cent. The highest rate of growth was recorded for electric machinery, which grew in real value added terms by 52.42 per cent during the period 1975-84. The recorded share in gross valued added was 2.2 per cent in 1975 and was 3.1 per cent in 1985. Iron and steel recorded a growth of nearly 17 per cent for the period 1975-84, and had a 7.4 per cent share of gross output and 9.2 per cent share of value added by 1985. Iron and steel is also the sub-sector that next to food products employs the most people, some 57,000 in 1985, which was a little over 10 per cent of total manufacturing employment during that year.

Growth of value added per employee shows large variations across the sub-sectors. The fastest rate of growth for the period 1975-84 was recorded in the sub-sector electric machinery. Food products, on the other hand, displayed a negative rate of growth for the period 1975-84 to the tune of 5.2 per cent.

3. Obstacles to production

The biggest problem for the manufacturing sector is the shortage of foreign exchange. The reduced export earnings have caused the government to severly restrain imports. Although the import control primarily has been targeted on consumption goods, the effects inevitably have been felt also among manufacturers; both through lack of raw material and spare parts and through reduced demand for manufactured products. As a result the level of utilisation has fallen in many sectors.

4. Policies directed towards the manufacturing sector

The new policies of decentralisation have had large impacts on the structure of Algeria's manufacturing sector. The big national companies have in many sectors been broken up into smaller units, replacing the former giants. For example, Sonacome, which until 1982 had the monopoly of the manufacture and marketing of machine tools, tractors, agricultural equipment, lorries and cars, has been broken up into four companies. Sogedia, which was responsible for a dozen fruit and vegetable processing and canning factories, a sugar packaging plant and a beat mill, has also been divided. The same pattern exists throughout the sector. The relatively favourable development in the non-hydrocarbon industry in recent years reflects to some part the improvement in capacity utilisation of existing plants and the coming on stream of new production units. However, the advances made in performance also reflect the organizational and financial restructuring, which has been undertaken, including the aforementioned restructuring of former state monopolies, increased flexibility in management and in pricing procedures such as productivity bonus schemes.

Although many plants still operate below capacity, the existing trend in Algeria's manufacturing industries is that domestic consumption will be boosted. In addition to policies designed to promote domestic demand and consumption, the government also tries to stimulate exports. Steel, for example, is being sold cheaply to Italy, West Germany and the UK in particular. As a share of Algeria's total exports, however, manufactures will remain miniscule for many years. The prospects of substituting imports look considerably better. Of total imports in 1984 manufactured products accounted for some 45 per cent, with the largest share being commercial road vehicles, which accounted for 6.4 per cent of total imports. In the same year Algeria produced 6,619 lorries and 731 buses. For most manufactures, except petroleum products, however, the share of imports in domestic consumption is high, but with considerable variation across branches.

5. The scope for rehabilitation

Foreign aid plays a minor role in the balance of payments in Algeria. Compared to the LDCs in Africa, Algeria receives relatively small amounts of foreign development assistance. Bilateral aid is the dominant form of assistance, and in 1985, when total disbursements amounted to $190 mn, $167 mn came from bilateral donors (major donors are Austria and France). Loans on favourable terms have been secured from multilateral bodies, including the World Bank, which has lent close to $1 bn.

The objectives with the assistance to Algeria of course vary a great deal and in broad terms are in line with assistance to other developing countries. For instance, the objective of the World Bank lending in Algeria is mainly to support water projects. Among the various projects UNIDO currently is operating (see appendix) at least two would fall under the heading of rehabilitation. One $74,900 project concerns the steel industry's shortage of trained maintenance management and assists in developing a computerized production central for maintenance. Another $71,000 project aims at revamping a PVC plant with the help of a UNIDO financed consultant. This seems to illustrate that, despite the fact that the national planning puts the emphasis on continued expansion of the industrial sector, there will exist many individual needs of rehabilitation within Algeria's manufacturing sector. Many branches have a long history in the country, the shortage of foreign exchange and the depressed domestic demand and hence reduced levels of utilisation in recent years, are all indications of the existance of needs of rehabilitation. Those needs would be expected to exist among all major sub-sectors of manufacturing including food industries, iron and steel industries and electric machinery.

6. Recommendation for UNIDO follow-up action

Barring specific requests from the Algerian government, Algeria is not recommended for follow up actions.

ANGOLA

1. General introduction

Angola's political stability is marred by the constant subversive and aggressive actions by South Africa and the Unita insurgency. Although not a threat to the present regime, the war is a drain on the government's budget and seriously hampers economic activities as well as the security situation in large areas of the country. However, there is little prospect of the war diminishing in scope in the near future, or being ended through negotiations.

Angola is potentially one of Africa's most prosperous countries. It has large reserves of oil, huge hydro electrical potential, numerous valuable minerals, including diamonds and iron ore, and a plentiful supply of agricultural land. Since independece in 1975, the Angolan economy has suffered several severe shocks. The first was the mass exodus of the white settlers; then in 1975-76 the country was plunged into war. In 1986 defence took 40.4 per cent of total government expenditure. In 1970 GDP per capita in Angola was $1015. However, mainly due to the continued civil strife, the per capita income had declined to $404 in 1984.

GDP grew at a fast rate during the colonial period, rising by an average of 7.8 per cent at constant prices between 1960 and 1974. Production declined dramatically in 1975-76 and has since failed to return to pre-1975 levels in real terms. Real GDP stagnated or declined in the period 1978-82 and there is reason to believe that this trend continued in 1983-85. The price control system has proved inefficient and incoherent, giving rise to extreme price distortions. The artificial exchange rate of the kwanza has also exacerbated the problem.

The oil sector must be excluded from the generally gloomy picture of the economic development of recent years. It has been practically the only sector with a positive economic progress and has become the economy's driving force. Almost all exports (95 per cent in 1985) are derived from this sector and it is the principal source of government financing. However, this predominant role held by oil has brought the economy into a precarious situation. The danger became evident in 1986, with the decline in oil prices that began at the end of 1985.

Angola's trade balance surplus has been insufficient to offset persistent net deficits for invisibles. The current account deficit has worsened in times of reduced trade surpluses, notably in 1986, while for the first time, and despite severe austerity measures, substantial arrears have built up on the debt service payments.

Total external debt stood at approximately $3.1 bn by the end of 1986 of which a large part is owed to the USSR. Bilateral debt reschedulings have since begun. A formal Paris Club rescheduling is prevented until Angola has become a member of the IMF, but it is not in the cards in the foreseeable future, due in part to the complications raised by US opposition.

2. The manufacturing sector

The manufacturing sector is very small in Angola. According to the UNIDO data, it was estimated to account for 2.9 per cent of GDP in 1984, compared with a 4.9 per cent share in 1973. The average annual growth of the manufacturing sector is put to minus 10.8 per cent during the 1970s. During the first four years of the 1980s the annual rate of growth has been positive 1.1 per cent.

Along with oil refining and production of cement and other construction materials, the main branches of manufacturing are food processing, textiles and steel. The scant UNIDO data only reveal the figures for the composition of manufacturing value added for 1980. By then, the shares of value added were 33.5 per cent for textile industries, 18.4 for food products, 12.9 for non-metallic mineral production, 7.2 for beverages and 4.7 for tobacco.

The steel plant that was built in Luanda in 1972-73 was largely inoperative after independence, but after rehabilitation was reopened in 1984. Production of steel bars in 1985 was 15% of its real value in 1973. The building of a construction yard at Ambriz for platforms, jackets and other equipment for offshore oil industry is one of the most successfull investments since independence.

The fall in cement production has been a serious restraint on the construction industry. However, the main cement works, Cimangola in Luanda, has recently undergone extensive rehabilitation. In 1986 this permitted the resumption of export as well as increased production for the local industry.

Apart from very small local refining facilities in Cabinda, Angola has one conventional hydroskimming refinery near Luanda. The refinery meets most of Angola's domestic requirements as well as produces a surplus of fuel oil for export.

3. Obstacles to production

Production in the manufacturing sector grew rapidly in the pre-independence period. A vast majority of the manufacturing enterprises were small settler owned businesses and whites virtually monopolised skilled and managerial jobs. With the settler exodus in 1975, most of the factories were abandoned by their owners and practically all skilled workers fled. The shortage of managerial and technical skills since 1975, along with the disruption to communications and distribution networks, periodic cuts in power and water supplies, shortages of agriculture inputs, imported raw materials, machinery and spare parts, have reduced productivity to a small fraction of pre-independence levels throughout the manufacturing sector. The sector's difficulties intensified in 1986 because of the foreign exchange crisis.

In the pre-independence period, a large number of food processing factories were set up to process domestically produced agricultural inputs. The fall in production by most agro-food industries is largely due to the fall in domestic agricultural production, the collapse of the rural marketing system, the disruption of transport between the rural areas and the cities, and the foreign exchange constraints on imports. According to EIU, production in this sub-sector in 1985 was 37 per cent of its real value in 1973. Though substantial investment has continued since independence, production of cloth in 1985 was 34 per cent below its 1973 level. One of the principal causes to low capacaty utilisation and plant closures have been the shortages of cotton.

4. Policies directed towards the manufacturing sector

Under the nationalisation law enacted in march 1975, much of the manufacturing industry was brought under state ownership, and by 1984 about 80 per cent of industrial workers were employed in state enterprises. Shortages of managerial skills, bureaucratic inefficiency and over-centralization have hampered the government's attempts to bring production up to pre-independence levels. A package of economic reform measures (SEF) designed to aid economic recovery has officially been introduced in January 1988. The authorities now hope that the new decentralisation initiatives will help revive the manufacturing sector. The package of economic reform measures includes the privatisation of much of the retail and wholesale sector, increased financial autonomy and responsibility for state enterprises, regional decentralisation, the introduction of a foreign exchange retention scheme as an incentive for non-oil export industries, liberalisation of the traditional rigid price control system, more restrictive monetary measures to soak up excess liquidity, changes in interest rate policy, reform of the 1979 investment law to improve incentives to foreign investors, and eventually devaluation of the overvalued kwanza.

5. The scope for rehabilitation

Though it has been hit hard by economic dislocation since independence, Angola's manufacturing sector has considerable potential, owing to the abundance of basic industrial resources (power, iron ore, oil). Many of the small factories set up by the Pourtuguese are out of commission, owing to the absence of relatively minor spare parts or certain aspects of technical experience. Therefore, with just a some extra attention, the industrial sector could show vigorous growth. The scope for rehabilitation is also helped by the fact there are several rehabilitation projects ongoing in the country. The steel plant was rehabilitated in 1984, the cement plant, Cimangola, has recently been rehabilitated and UNIDO is already supporting two projects in the realm of rehabilitation. One is a $12 mn rehabilitation of FIDRO de Angola, which produces vehicles for food transportation and mobile refrigerators, financed by ILKA/GDR. UNIDO finances a consultant to assess and evaluate the rehabilitation work of ILKA. UNIDO is also assisting rehabilitation directly to the food industry with a $3.8 mn project aiming at enhancing the production at selected food industries (see also appendix). Improved security conditions will, however, be a prerequiste for achieving a broad based economic recovery and good results in rehabilitation efforts.

6. Recommendation for UNIDO follow-up action

It is recommended Angola is made subject for further investigations regarding the scope for UNIDO supported rehabilitation.

BENIN

1. General introduction

From independence in 1960 until the 1972 revolution which brought the military government of Colonel Ahmed Kerekou to power, Benin underwent instability and frequent changes in government. Radical political, social and economic changes followed Presidet Kirikou's seizure of power. In 1972 he announced that Benin would be administered along Marxist-Leninist lines and in 1974 a number of major companies were nationalised. The strongly nationalist policies of the 1970s have been progressively modified during the 1980s, given disenchantment with the performance of the parastatal sector and the need for greater inflows of foreign aid in the climate of harsh recession. During 1985 signs of social unrest became apparent. A broader improvement in relations with the west has mirrored the growing economic crisis and the disappointment with the material benefits of freindship with the Eastern bloc.

Benin is a small, poor nation with a population of 3,8 million and an estimated 1985 per capita income of $267. Agriculture, the most important sector in the economy, employs three-fourths of the active population and accounts for 40 per cent of GDP and around half the exchange earnings. Improved harvests in recent year have led to Benin achieving virtual self-sufficiency in food production. Commerce, mainly with Nigeria, is the other principal economic activity. Oil production began in 1982, but output has been low.

The economy's traditional growth sources are agricultural, entrepot and transit trade. Monitoring economic performance is difficult because of the large unrecorded trade with Nigeria. Generally speaking, growth rates have fluctuated in line with Nigeria's oil booms and slumps. The average real GDP growth rate over the period 1973-85 is estimated by the World Bank at 4,5 per cent a year. Estimates show that GDP has declined since 1985 in real terms. The high rate of population growth has meant an even sharper decline in per capita income.

Since the fall in Nigeria's oil revenues, and the devaluation of the naira in September 1986, regional trade has been severely squeezed. Benin's export of domestically produced foodstuffs and the traditional but illegal trade in re-exports of consumer goods across the border have both been affected.

There is traditionally a very large trade deficit, with recorded exports covering only 5 percent of the cost of imports in 1982. This is partly offset by service earnings and partly by transfers. The current account deficit narrowed from 1981 to 1985, but is likely to have widened in 1986 and 1987. Benin's international reserves have fallen to very low levels in recent years.

According to the World Bank, Benin's external debt totalled $776 mn (75 per cent of GNP) at the end of 1985. The main factor affecting Benin's debt profile is a sharp jump in commercial borrowing in 1980 to finance the oil development programme. Debt service was scheduled to rise rapidly from 1986, but it is clear, however, that these obligations have not been met and that arrears mounted in 1986-87.

2. The manufacturing sector

According to UNIDO data the manufacturing sector is small, and its share of GDP has declined from 8.7 per cent in 1975 to 6.4 per cent in 1984. The World Bank estimates a share of GDP in 1985 at only 4 per cent in 1985. The figures for real growth show a negative annual growth rate of 2.7 per cent in the 1970s and a positive rate of 5.2 for the period 1981-84. Apart from the construction goods industry, which includes a cement plant, most activity is concentrated on the processing of consumer goods. Food, drink and tobacco processing, footwear manufacture, cycle and motor vehicle assembly, and ceramics form the base of the import substitution sector.

Food processing is the major industry. Food products and beverages accounted for 42.4 and 17.0 percent of real value added respectivly in 1980. Together these two branches employed 4,861 persons in 1985, which is a little bit more than half the industrial work force. Within the food products sector, palm oil processing is the most important activity but it has declined during the past decade. The Sonigcog has six small palm oil mills. Studies are under way to revitalise this sector.

Textiles and clothing employed 2,204 persons in 1985, a little bit more then 30 per cent of total manufacturing employment, but accounted for only 11 per cent of manufacturing value added in 1980. The textile industry shows a negative growth rate of value added per employee of the order of 14.85 per cent for the period 1975-86. An integrated complex at Parakou producing cotton fabrics which came into operation in 1975 is currently undergoing rehabilitation.

3. Obstacles to production

Benin is constrained by the dominance of Nigeria with whcih Benin has difficulties competing. Benin also is hampered by lack of manufacturing skills, shortage of raw materials as well as spare parts and foreign exchange required to import these items.

4. Policies directed towards the manufacturing sector

The reorientation from the Eastern bloc towards the western hemissphere implies a greater scope for private enterprises and foreign capital. However, there will be little signs of any results of this shift in policy yet, since the recession puts a lid on economic activity in general.

5. The scope for rehabilitation

The small size of the manufacturing sector in Benin implies that there is relative little scope for rehabilitation in that sector, at least on any significant scale. However, within the sector there certainly exist a need for rehabilitation. This applies particulary to the textile sector and the oil palm processing sector which both have shown detoriating performance records in recent years.

6. Recommendation for UNIDO follow-up action

Barring specific requests from the government, no particular UNIDO follow-up action is recommended at this point of time.

BOTSWANA

1. General introduction

Botswana has preserved its stable multi-party democracy. However, relations with South Africa have been a matter of growing concern - in part due to South African commando raids against allaged ANC military targets in Botswana and threats to halt the railway traffic across the border.

Botswana may be characterized as a middle-income mini-economy (1ûmillion inhabitants and GNP per capita of $960 in 1984) with relatively well developed infrastructure and social sevices. Rich diamond reserves are the coutry's main resource. Primarily due to diamond industry growth, mining now accounts for almost half of GDP. This economic growth record has not been shared by other sectors, giving rise to the dualism which caracterizes the present Botswana economy where 80-90 per cent of the population remains dependent on livestock production in some form, largely outside the cash economy.

Arable agricultural output is constrained even in good years, and at best Botswana has only been able to produce half of its food requirements. Recently, heavy rains look to set an end to seven years of drought that have posed a serious threat to water supplies, food production and the national cattle herd. Other serious political and social problems are the growing rural exodus and rising urban unemployment.

Botswana has, with an average real growth of GDP exceeding 10% per annum during the last two decades, achieved an economic record unparallelled by any other developing country. Botswana also holds a record in growth of GDP per capita, whith 8.4 per cent p.a. from 1964 to 1985. Inflation, as measured by the national cost of living index, has remained moderate, averaging under 10 per cent per annum during the last five years.

Botswana's exports remains highly concentrated, with diamonds accounting for over three forths of total exports. Beef accounts for another 8 per cent, and copper/nickel matte another 6 per cent. The three together account for over 90 per cent of all exports in 1986. The evolution of the balance of payments has largely reflected the growth of the mining sector. The impact of the falling pula and strengthening in the diamond market resulted in the current account surplus surpassing 14 per cent of GDP in both 1985 and 1986. One of the main strengths of Botswana' payments position over the past decade has been large capital inflows, arising principally from foreign direct investment in the mining sector. Botswana's international reserves have climbed to 30 months import cover.

Botswana's receipts of official aid have shown a downward trend over the past five years, reflecting the country's ability to finance a large proportion of its development budget thanks to its strengthened external position.

Botswana continues to enjoy a very low level of foreign debt, and public external debt service in 1985 at $48,8mn was only 5,4 per cent of exports of goods and services. While debt service will increase to the end of the decade, a significant rise in the debt service ratio on present trends is unlikely.

2. The manufacturing sector

The manufacturing sector has grown roughly at the same rate as the overall economy. The sector is still very small, 6-7 per cent of GDP in 1984. One firm, the export abattoir run by the Botswana Meat commision (BMC) dominates the sector. Overall, the manufacturing sector cannot be said to have been a particulary dynamic sector of the economy. The sector's share of the domestic market, as measured by the ratio of manufacturing output to domestic non-subsistence consumption, has declined. Industry in Botswana is predominately small-scale and avaible data show a definitive trend towards firms with 10 and less employees. Whereas the major manufacturing establishments in Botswana have a significant share of government ownership, the private sector, both large and medium-scale firms, are to a great extent foreign owned. Avaible data indicate that firms with majority foreign ownership, excluding BMC, accounted for 50 per cent of manufacturing output and 51 per cent of MVA.

Today nearly 70 per cent of MVA originates in four branches of industry. Within each of the branches a major part of MVA comes from only a few firms. The meat branch is dominated by BMC's export abattoir at Lobatse, the beverages sector is dominated by the kgalakgadi Breweries plant in Gaborone, and the emphasis on textiles is largely due to the Everest Mills plant for knitten and woven polyester/cotton fabrics in Francistown.

The structure of the manufacturing sector in terms of relative contribution of various branches to overall MVA has clearly changed rapidly. The main change has been the decreasing dominance of the meat sector, although its share in MVA declined from 58.4 per cent in 1974 to 33.0 percent in 1984.

Botswana is a member of the Southern African Costums Union, which provides access to duty free imports from South Africa. This, together with the proximity of the south African market, has led to the present situation that around 75 per cent of imports, mostly manufactures, come from South Africa. In contrast, only 6 per cent of exports is destined for South Africa. The beef from BMC is largely exported chilled to Europe and South Africa and constituted 8.6 per cent of total exports in 1984. The exports of textiles, mostly to neighbouring countries, has increased considerably and in 1984 constituted nearly 4.7 per cent of the total export. With the exception of the BMC, textiles and clothing most of the manufacturing sector is geared to the local market.

3. Obstacles to production

Although, Botswana is less endowed with arable agriculture resources than the neighbouring countries, a raw material base for industrial development exists. The country also possesses a thinly spread and relatively well functioning infrastructure. The industrial energy situation will be much improved with the start of several 30 MW generators at Morupule, based on Botswana's own vast coal reserves. However, competition from South Africa and its "home lands", especially Bophuthatswana, and Zimbabwe, combined with expensive utensiles, the high cost of housing and land in urban areas, shortages of skilled manpower and the small domestic market are all obstacles to the development of the manufacturing sector.

4. Policies directed towards the manufacturing sector

Planning in Botswana has tended to concentrate on the activities of the public sector. The smallness of the administration, political commitment to pragmatic planning, integration of planning and budgeting and a shift to medium-term projects, has enhanced the success of the planning and implementation process in Botswana. The manufacturing sector has been given increased attention by the government. The current Development Plan 1985-91 aims at a growth rate of 8.3 per cent for manufacturing, higher than that of any other sector. A major industrial incentives scheme, the Financial Assistance Policy, channels considerable resources to the manufacturing sector and provides incentives for diversification of the economy with an emphasis on job creation as well as geographical dispersion of economic activities. A new industrial development policy which was launced in 1984 emphasized opportunities for domestic supplies to the major sectors of the economy, utilization of the local resourse base and also envisaged special support to small, rural based and locally-owned new industrial activity. The Botswana Development corporation is the main investor in manufactoring capacity. The World Bank has extended a $2,3mn credit line for small scale agricultural and industrial projects. In accordance with the goverment's policy to diversify the country's industrial and commercial base and create additional employment opportunities UNDP/UNIDO provides support to the subsectors of building materials and textiles.

5. The scope for rehabilitation

From the point of view of overall country risk, the general climate for rehabilitation in Botswana seems rather favourable. The country enjoys political stability and relatively comfortable fiscal and balance of payments situation. However, the smallness of the manufacturing sector restricts the scope for rehabilitation in that sector. Among donors as well as in the government the emphasis also is to develop the country's human resources and to develop new industries, rather than rehabilitating existig ones. This is illustrated by the fact that out of the five ongoing UNIDO projects in Botswana (see appendix) only one is a rehabilitation project. That is $24,000 project of management consultancy for a small silversmiths cooperative.

6. Recommendation for UNIDO follow-up action

Barring specific requests from Botswana's governement for expanded UNIDO-assisted rehabilitation, no particular action is recommended at this point of time.

BURKINA FASO

1. General introduction

Burkina Faso has had a turbulent political history. The coup which brought the current head of state, Captain Blaise Compaoré, to power in October 1987 was the fifth since the country's independence. The coup was widely condemned internationally and the new regime has had difficulties in establishing popular credibility within the country. Further political changes can be expected during the course of 1988 - either in direction of a return to civilian rule or in the form of another coup attempt.

With a GDP per capita of $140 in 1985, Burkina is one of the poorest countries in the world. As in most of the Sahalian region, this poverty is largely the result of a limited resource endowment. The country's landlocked position, scarcity of roads, and long distances from seaports, further constrain the country's development potential in all sectors. An estimated 80-90 per cent of the population depends for its livelihood on the predominantly subsistence-oriented agriculture and livestock sectors. The impoverishment of the central region has given rise to spontaneous resettlement in the south and large numbers of Burkinabe travel to take up seasonal or permanent employment in neighbouring countries.

Following a period of steady economic growth during the late 1970s, Burkina Faso experienced stagnation and economic recession in 1982-84. Recently economic growth has revived thanks to very good harvests in 1985 and 1986 (annual growth rates at 7 and 10 per cent respectively), but the persistence of an unstable political climate has continued to affect adversely both foreign aid and worker's remittances. The rate of inflation, as measured by the GDP deflator, became negative in 1986, owing to the rapid decline in food prices and the collapse of worldmarket prices for cotton.

The current account is permanently in deficit, due to the large trade deficit and a substantial deficit on services, which are only partially offset by private and official transfers. Cotton is the country's biggest export earner, although revenues have swung sharply from year to year due to shifts in world market prices (volume has been moving steadily upward since 1982). Live animals come next in the official figures, although in practice much of the trade in livestock goes unrecorded as animals are moved across the country's borders in both directions. Imports are dominated by machinery and transport equipment, fuel and - in years with poor rainfall- foodstuffs. Burkina recieves substantial aid flows, both in grants and in concessional loans.

Burkina is not one of Africa's major debtor nations, but the external debt burden has been rising, and by the end of 1985 total external debt amounted to 50.4 per cent of GNP. Most lending has been on concessional terms, but the proportion of non-concessional lending and short term debt have risen. Even if debt service remains moderate, 33 per cent of merchandise exports in 1986, the overall balance of payments position is still precarious. Burkina Faso is a member in the French Franc Zone.

2. The manufacturing sector

The manufacturing sector is small and rudimentary, and its share of GDP has changed very little over years. At 1975 it stood at 10.8 per cent, rose to 12,5 per cent in 1983 and declined to 9,9 per cent in 1984, but probably employs only 1 per cent of the labour force. The manufacturing sector is dominated by government-controlled corporations, although private sector participation remains important.

Data on the performance of the most important manufacturing companies show that the growth of output slowed significantly during the period 1981-84. Thus a substantial decline in the volume of production was registrated for bicycles and mopeds, tires, textiles and shoes. The most important cause for this decline seems to have been a strong competition from imports.

The modern manufacturing sector focuses almost entirely on food processing and substitution of consumer goods imports.The shares of real value added in 1983 were 44.9 per cent for food products and 20.1 per cent for beverages. The two together employed 4,236 people in 1985, making a combined share of the total manufacturing sector employment of almost 50 per cent. For food products, the growth of value added per employee during the period 1975-86 had been 3.96 per cent, while the beverages industry recorded a negative rate of 2.47 per cent. The 69 per cent state owned sugar processing factoring at Banfora has a capacity to produce 31,000 tons a year, but as a conseqeunce of the drought, the production was 28,000 tons in 1985/86. Work is in progress for another sugar complex in the Sourou area. A flour mill at Banfoura, which also manufactures animal food, is 75 per cent state ownwed.

Besides the food processing sector, textiles is an important sub-sector. It accounted for 13.8 per cent of manufacturing value added in 1983 and employed 1,261 people, or 14.3 per cent of the total industrial workforce in 1985. In terms of growth of value added, the same sector record a growth of 4.44 per cent for the period 1975-86. The largest factory, the textile complex at Koudougou, is 55 per cent state owned, and produces entirely for the local market.

3. Obstacles to production

Expansion of the manufacturing sector is constrained by lack of raw materials, skilled labours and experienced managers, the need to import all the country's fuel, the high cost of transportations and the narrow domestic market. In addition, for most enterprises, prices are rigidly controlled, and in some cases, do not cover costs, with the result that a number of companies have incurred financial losses.

4. Policies directed towards the manufacturing sector

Since 1985, the authorities have been undertaking efforts to improve the financial situation of public enterprises. A few of these underwent restructuring, including changes in management and cuts in personnel expenditure and other operating costs. For some industries, official factory-gate prices were raised. The import tax was reduced in 1984 by 75 per cent in order to help reduce the industrial companies' operating costs. Moreover, the authorities took steps to initiate a dialogue with private entrepreneurs in order to restore a climate of confidence for private sector investment.

5. The scope for rehabilitation

The small size of the manufactoring sector implies that the scope for rehabilitation in that sector is limited. Moreover, the general climate for rehabilitation in Burkina Faso is not very favorable. Captain Compaoré's regime has insecure foundations and its economic policy is unclear and further political changes can be expected in the course of 1988. The problematic environment seems to be confirmed by experiences in UNIDO projects; one project of rehabilitation of a brick making plant was initiated in 1983, but is still not completed. UNIDO also operates a project aiming at setting up a maintenance centre for agricultural tractors and other heavy vehicles. This project suffered from budgetary cutbacks - from $885,000 to $585,000 - during the implementation period, but the progress of the project seems to also have been hampered by the lack of raw material on the local market. Operationally the project is classified as completed.

6. Recommendation for UNIDO follow-up action

No particular action is recommended at this point of time.

BURUNDI

1. General introduction

Burundi's political life is above all marred by the long history of tensions, and sometimes violent clashes, between the Hutu majority and the Tutsi minority, which always has held the advantage of being in political power. After a period of steady administrative decline as well as increasing internal and external conflicts - notably towards the Vatikan and Belgium - a military regime seized power in a bloodless palace coup in September, 1987. The new regime has brought some hope of improved conditions, but the underlying problems will remain.

The economy of Burundi rests on two pillars; coffee exports and foreign aid. With a relatively small land area and a population of 4.9 mn the population density is high, the infrastructure is weak and there are few natural resources. Explorable oil findings in the Tanganyika Lake remain as of yet no more than a hope, but would, if true, of course drastically alter the economic outlook for Burundi. Agriculture accounts for more than half of GDP and employed (in 1980) 93 per cent of the population. About 25 per cent of the land is under cultivation, of which some 90 per cent is devoted to subsistence crops and the remaining ten per cent mainly to coffee.

GDP in 1985 has been put at $970 mn by the World Bank, with an annual average rate of growth of 3.6 per cent between 1965 and 1980, and 1.9 per cent between 1980 and 1985. Per capita GDP stood at $213 by 1984, according to UNIDO data, and the average annual growth rate for the period 1970-80 was recorded as 1.7 per cent. For the period 1981-84, however, real growth in GDP per capita was negative, or -5.3 per cent, largely reflecting weak export prices.

Coffee accounts for 80 per cent of export revenues in Burundi and totalled $92.6 mn in 1985, according to the EIU. Foreign aid for the same year came to $146 mn, equivalent to 13 per cent of GNP. The principal donor is the EEC, which also is the principal trading partner with the Federal Republic of Germany alone taking 30.5 per cent of exports and, together with Belgium/Luxembourg and France, accounting for 39.7 per cent of total imports.

Burundi's total external debt rose from $111 mn in 1979 to $415 mn in 1985, equivalent to 39 per cent of GNP, and has since continued its sharp rise. The debt service ratio was put at 22.1 per cent for 1986 by the IMF, up from 8.5 per cent in 1982.

2. The manufacturing sector

The manufacturing sector is small and restricted to the capital, Bujumbura. Manufacturing's share of GDP was 6.7 per cent in 1975 and 9.2 per cent in 1984, according to UNIDO data, while EIU reports a share of GDP by 1985 of only 4.1 per cent. Food processing, and above all brewing, is the major industry. Current production also includes glass, textiles, shoes and basic chemicals. The brewing industry, which has several foreign participators, has expanded production by more than 30 per cent between 1981 and 1986, reflecting increased domestic demand as well as increased production capacity. In UNIDO data it is not reported separately, but constitutes virtually all of the total food processing industry, which typically accounts for over 90 per cent of manufacturing value added and is also the leading employer in the manufacturing sector with 1555 employees in 1983.

Among the minor manufacturing branches in Burundi; textiles and clothing employed a combined total of 1189 people in 1983, almost 25 per cent of total manufacturing employment, but accounted for only 8.9 per cent of manufacturing value added; fabricated metal products employed 533 people - down from 690 in 1975 - and accounted for 5.1 per cent of value added - down from 12 per cent in 1975; industrial chemicals employed 496 people in 1983, other chemicals employed 147, making a combined share of the total manufacturing employment of 13.1 per cent, thus the fastest growing branches since 1975, when they only employed 214 people. In terms of share of MVA, however, chemical industries have declined from 9.4 per cent to 5.2 per cent between 1975 and 1983.

3. Obstacles to production

The smallness of the domestic and the regional markets is one of the serious constraints to expanding the industrial base. Another major problem is the shortage of foreign exchange, while production is obstructed by the uneven power supply.

4. Policies directed towards the manufacturing sector

Economic policies have for a long period been expressed in five year plans, skewed in favour of central control of prices and production through public sector enterprises, which controls most of industry, and in agriculture cooperatives have been encouraged. In recent years a shift has taken place and now the role of private sector enterprises is more emphasised. The government plans to expand manufacturing through selective investment, and as trading opportunities arise, promote the exports of manufactured products. The government also has layed particular stress on agro-based industry, and the integration of primary and secondary sectors. Funded by Badea, Opec and the Abu Dhabi Fund a sugar mill covering 90 per cent of domestic needs is being set up. There are projects to set up rice and palm oil factories in the fourth development plan, which covered the years 1983-87. The other prong of government industrial policy is the import substitution of basic items.

5. The scope for rehabilitation

In the context of the whole African continent, the scope for rehabilitation in Burundi does not seem significant. The international support channelled to Burundi seems to be of basic nature such as the large scale UNIDO project of industrial promotion and transfer of technology (see also appendix).

6. Suggestion for UNIDO follow-up action

No particular action is recommmended at this point of time.

CAMEROON

1. General introduction

Cameroon was ruled by President Ahidjo for ten years after 1972, when the country was formed by the merger of two territories newly independent from the UK and France. Ahidjo's successor, Paul Biya has promised a transition to a more "open democracy" but the RDPC is as yet the only political party. After a coup-attempt in 1985 had failed, President Biya seems to have succeded in creating internal stability. Links with France remain strong although President Biya has adopted a more non-aligned foreign policy than his predecessor.

Cameroon is one of Africa's most diverse countries, with a wide variety of climatic and ecological zones, ethnic groups, languages and traditional cultures. It has a population of about 10 million, and a per capita income of $1138 in 1984. The agricultural sector has long been the backbone of the economy and was responsible for Cameroon's healthy growth rates long before its oil resources were brought on stream in 1978. Known oil reserves will be exhausted in the early 1990s and the prospects for new discoveries are not good.

In recent years Cameroon has registered a remarkable overall economic and financial performance. Real GDP growth averaged 10 per cent per annum from 1978 to 1985. Non-oil GDP is estimated to have grown by some 8 per cent per year.

In 1986 Cameroon was hit by the sudden drop in world oil prices, compounded by weak prices for its agricultural exports. It managed initially to weather the storm by drawing on oil earnings deposited in extra-budgetary accounts. However, by the end of 1986, signs of serious economic problems emerged and the growth rate began to slow. Depressed commodity prices have affected government receipts while the Government has been slow in curtailing both current and capital expenditure and preparing the economy for the inevitable decline of the oil sector. When the first economic adjustment measures were introduced in June 1987, they were accompanied by severe critisism of the World Bank and the IMF in the local media. The government made firm declarations that it would not call on the organisations for assistance. More recently, there seems to have been a turnaround in this policy.

An analysis of Cameroon's foreign trade performance is hampered by the lack of accurate data. It became government practice under president Ahidjo to place a substantial part of oil export revenue in separate bank accounts under the heading Compte Hors Budget, which was not included in the national accounts. After the oil export started, there were subsequently large and growing trade surpluses: by 1985 exports were almost twice as high as imports. But, with crude oil accounting for 67 per cent of total exports, Cameroon was heavily exposed to shifts in world oil market. When oil prices suddenly slumped at the end of 1985 and in the first half of 1986, the shock was severe: exports fell and the trade balance swung into deficit for the first time in almost a decade. Among imports, semi-processed goods are a major category, reflecting the weakness of the domestic manufacturing sector. Export revenues are mostly in depressed US dollars, while imports,

originating mainly from France and the EEC, have to be paid in appreciating EMS currencies.

Until the recent slide in export earnings the country's foreign debt burden was relatively light by African standards. In 1985 total disbursed debt stood at $2.87ùbn equivalent to 26 per cent of GDP, and the DSR was only 8.3 per cent. As the government has been a very popular borrower with multilateral agencies, a large proportion of its debt is on concessional terms.

2. The manufacturing sector

Cameroon has a relatively varied manufacturing sector, based mainly an agro-processing and geared mostly to supplying the domestic market. According to the UNIDO data, its share of GDP has hardly changed, decreasing slightly from 10.2 per cent in 1975 to 9.9 per cent in 1984. The number of manufacturing employees has risen slightly from 28,900 in 1975 to 31,000 in 1985. According to the IMF, manufacturing accounts for about 14 per cent of GDP and employs 7 per cent of the labour force.

Most manufacturing is centred around Doula and uses domestic inputs to produce goods such as chocolate, cocoa, paste, flour, beer and cigarettes.

Food processing and above all brewing is the major industry. Current production also includes textiles, non-ferrous metals, industrial chemicals and wood products. The brewing industry accounted for some 20 per cent of gross output and almost 18 per cent of total manufacturing employment in 1985, thereby recording an increase from 1975, when corresponding figures were about 15 and 14 per cent respectively. The industry's share of manufacturing value added also increased, from 30.1 per cent in 1979 to 38.6 per cent in 1985.

In terms of value added, the textile industry is the second largest sub-sector, with a 15.2 per cent share of manufacturing value added in 1985. Total employment in this sector has declined from 4,430 persons in 1975 to 2,630 in 1985. During the same period value added grew by 9.12 per cent, resulting in a growth rate of value added per employee in the textile sector of the order 5.46 per cent.

Tobacco accounted for 10.4 per cent of real value added in 1985, and employment growth outstripped growth of value added for the period 1975-86, resulting in a slight negative growth rate of value added per employee of 0.42 per cent.

3. Obstacles to production

The manufacturing sector, in particular the large import-substitution industr[illegible], continues to face serious structural problems, the most [illegible]portant of which are undercapitalization, overstaffing and managerial deficiencies. In addition, some enterprises have been adversely affected by rigidities in the pricing system. The few major projects launched in recent years have, on the whole, proved disastrous. The pulp mill Cellucam, for example, was fitted with equipment ill-suited to the quality of the woods produced in Cameroon and subsequently suffered from explosions and other accidents. The aluminium manufacturer, Alucam, imports bauxite and has had difficulties in breaking even in recent years.

4. Policies directed towards the manufacturing sector

In an effort to develop import substitution industries the government has a liberal investment code and progressive welfare and labour laws. However, it has been under pressure in the past year from the IMF and the World Bank to reconcider its policy of import substitution. These bodies have suggested that the industrial sector is in need of structural reforms and should be progressively opened up to more competition.

The state has fairly large shareholdings in most of the major industrial and manufacturing ventures and holds these through the Sociiti Nationale d'Investissement (SNI). However the SNI has received considerable critisism over the management of its operations and it announced in 1986 that it would sell off shareholdings in companies over five year, in a move to restore profitability. In July 1987, president Biya set up a special commission to draw up a restructuring programme for the 60 or so parastatals. The authorities have requested World Bank assistance in formulating these rehabilitation plans. Meanwhile, greater emphasis is beeing given to the promotion of small- and medium-sized enterprises, especially those oriented towards export market and the use of local raw materials.

5. The scope for rehabilitation

From a macroeconomic point of view, the scope for rehabilitation of the manufacturing sector, at least on any significant scale, is mixed. Although the political situation is stable, the regime has so far been reluctant to implement necessary austerity measures required to halt the detoriation of the country's economic situation. This development has led to growing difficultes in attracting foreign capital. On the other hand the country possesses a small, but by regional standards, relatively varied manufacturing sector.

The government has recognised the need for industrial rehabilitation, particularly among the parastatals, and has requested the World Bank to assist in formulating a reconstruction programme. UNIDO currently operates eleven projects of which only one seems to be directly dealing with rehabilitation - a $49,600 maintenance training project (see also appendix). Since no specific mentioning of it is made in the material covered for this report, it is difficult to assess which particular branches would show the best scope for rehabilitation. The food processing industry may be a candidate, but it is doubtful if it can generate much needed foreign exchange. Although tiny, the wood production industry may be another candidate. Judging from its performance record in recent years, there seems to be a growing need for rehabilitation.

6. Recommendation for UNIDO follow-up action

It is recommended that Cameroon is made subject for more detailed studies. Major candidate industries for in-depth analysis would be the food processing industry and the wood production industry.

CAPE VERDE

1. General introduction

The Cape Verdean government appears to be in firm control, with genuine popular support in the country. The most recent election, held in November 1985, showed that the PAICV party was mature enough to open the political process. The election will not, however, change the regime's cautious, pragmatic and non-aligned approach.

Cape Verde consists of ten inhabitated islands located 650 km off the coast of Senegal, with a GNP per capita estimated at $430 in 1985. Cape Verde's poverty is exacerbated by its poor natural resource base, prolonged cycles of drought, and a high natural population growth rate of close to 3 percent. The scattered nature of the islands inhibits internal communication and reduces the possibilities of economies of scale. While the country's location favours international sea and air transport, it restricts the flow of trade. As a consequence of a migratory tradition, reinforced by drought and high unemployment, the number of Cape Verdeans living abroad exceeds the population residing on the islands. At the same time, well-managed public works programmes, financed through the counterpart of food aid, and growing attention to social services have moderated the most extreme aspects of poverty.

The structure of Cape Verde's economy is overwhelmingly oriented towards services, with commerce, transport and public services accounting for approximately 60 per cent of GDP in the 1984-86 period. Construction, which is highly dependent on Government investment is the second most important sector. Agriculture's share of GDP continued its downward trend from 18 per cent in 1981 to 16 per cent in 1985, due partly to the effects of drought.

The Cape Verdean economomy has achieved an impressive growth record since the independence from the Portuguese in 1975, mainly due to prudent economic policies followed by the Government together with large flows of emigrant remittances and foreign aid. Thus GDP grew in real terms by an average of 7 per cent annually from 1974 to 1982. The IMF estimates an average annual growth rate of 7 per cent during 1980-84. Recent developments, however, are not as favourable, with economic growth down to about 4 per cent a year.

With only a very small mining sector, and no particular manufacturing industry to speak of, a backward fishing industry and a drought ravaged agriculture, Cape Verde has almost nothing to export. By contrast, the country has to import almost all its food, as well as manufactured goods, fuels and other essentials.

Transport-related services make up the bulk of Cape Verde's exports, with commodites covering only three per cent of the import bill. The main positive items in the balance of payments are transfers of emigrant's remittances and foreign aid. These have tended to cover the merchandise deficit in almost equal measure over recent years, permitting Cape Verde to make a small addition to reserves. However, declining remittances, the US boycott of South Africa airlines and a projected increase in imports will increase the need for balance of payments support in the short term.

Cape Verde's foreign debt increased rapidly in the late 1970s and early 1980s. By 1985 the total debt amounted to 68 per cent of GNP. Because most of the debt is on highly concessional terms, the DSR is still relativly low at 14.2 per cent in 1986. However, the debt service is likely to become an increasing burden toward the end of the 1980s, as the grace periods on the loans contracted at the beginning of the decade begin to expire.

2. The manufactoring sector

Cape Verde's manufacturing sector is small and according to UNIDO data, its share of GDP has hardly changed, decreasing slightly from 5.7 per cent of GDP in 1975 to 5.0 per cent in 1984. While EIU estimates its share of GDP in 1985 to 8 per cent and its share of total employment to 6.5 percent. The scant UNIDO data further reveals that the growth of manufacturing was on real average annual basis, 2.0 per cent between 1970-1980 and minus 0.7 per cent 1981-84.

The manufacturing sector consists primarily of fish conserving, textiles, shoemaking, rum-distilling and soft drinks bottling plants. A new shipbuilding and repairing yard in Mindelo was completed in 1983 and a 60,000 ton cement plant is planned for the island of Maio.

3. Obstacles to production

The manufacturing sector faces perennial operating difficultes; these include the small domestic market, the shortage of trained managers and the necessarily high transportation costs.

4. Policies directed towards the manufacturing sector

Most small industries remain in private hands, and the government has given incentives to emigrants to invest in the creation of new manufacturing enterprises on the islands.

5. The scope for rehabilitation

The scope for rehabilitation in Cape Verde is obviously limited by the smallness of the economy itself. Within the natural boundaries, however, the scope for rehabilitation work seems to be rather favourable as indicated by experiences of the $4,000 UNIDO project rehabilitating a shoe factory (see also appendix).

6. Recommendation for UNIDO follow-up action

Specific requests from the government of Cape Verde ought to be looked upon favourably. Barring such requests, however, no particular action is recomended at this point of time.

CONGO

1. General introduction

The present political arrangement has its origns in the popular uprising of 1963, which overthrew the President and brought to power a progressive nationalist regime. In 1979 Colonel Sassou-Nguesso became the sole party's chairman and subsequently Executive President. Sassou-Nguesso still seems firmly installed in power, although the country's economic problems have meant a change of policy, away from the "Marxist-Leninist" tenets. Externally the links with France remain strong.

Congo has a population of 1.9 million in early 1986. With an estimated GNP per capita income of $1140 in 1984 the country enjoys one of the highest per capita incomes in Africa. Oil exploitation started in the 1970s. In 1984, oil accounted for 43 per cent of GDP, 90 per cent of export and nearly 70 per cent of budgetary receipts. The development of the oil sector accentuated urban/rural disparities by raising incomes principally in the urban areas. These disparities are the key factors in the rural exodus which has been continuing for several years. Apart from oil, the main resource exploited for export is timber - from the huge forest that covers about 55 per cent of the country's land area. Agriculture is still the most important sector in terms of employment, absorbing about 35-40 per cent of the economically active population. However, its share of GDP has always been small and declining. There is no significant mining operation, and the manufacturing sector is still small.

Since the 1970s, the pace of economic activity in the Congo has been determined by international oil prices. Rapidly rising oil earnings enabled the government to finance large scale investments in the early 1980s, and briefly to acheive one of the highest real growth rates in Africa. By 1985 Congo's oil earnings were beginning to decline and in 1986, the oil share of GDP fell dramatically to only 15 per cent, while total exports fell by 49 per cent. The collapse in oil prices, set against an already burdensome foreign debt profile, was the key factor in the sharp detoriation in the country's economic position, which forced the government to take major cuts in public spending and reach an agreement with the IMF. This accommodation led to a Paris Club rescheduling in July 1986, and debt relief from the commercial banks - moves producing political tensions at home. In July 1987, the World Bank approved a $700mn structural adjustment loan.

Congo has run a large surplus on its fob/fob trade account, due to its oil exports, though this was greatly reduced in 1986. This is offset by a net outflow on the service account, and the current account has regularly been in deficit, except in 1984, with current account deficits of around $170 mn in 1985 and $260 mn in 1986. The pressure on the balance of payments has been such that the country's international reserves has fallen sharply. By the end of April 1987 they were still only $5.7 mn, theoretically enough to cover less then six days imports. However, Congo is a member of the franc zone and thereby can draw on the common pool of foreign exchange held by France and other members of the zone.

High borrowing to finance the ambitious public investment programmes of the early 1980s had left Congo with a heavy debt burden by the middle of the decade, even before the crash in oil revenues in 1986. By the end of 1985, according to World Bank figures, Congo's total external debt stood at $2.24ûbn, equivalent to 144 per cent of the country's GNP.

2. The manufacturing sector

The manufacturing sector is small, accounting for 5 per cent of GDP in 1985 (before the large fall in the share in the oil sector) and 9.5 per cent in 1986. However, it employed 13 per cent of the labour force. According to UNIDO data the average annual growth of the manufacturing sector was 4.1 between 1970 and 1984.
The manufacturing sector is largely based on the processing of agricultural and forest products. The most important branches are oil refining, cement, agro-food processing, textiles and the production of sawn timber, veneer and plywood. The share of the agro-food, beverages and tobacco industries in MVA grew significantly from 45.2 per cent in the 1960s to 52.3 per cent in 1985. In 1984 these branches employed 4,950 persons or about 50 per cent of total manufacturing employment. The same year 2,140 persons, or 23 per cent of the manufacturing labour force, were engaged in producing wood products and furniture. Until 1983, agro-food industries were the most important branch of the industrial sector. Following the commissioning of an oil refinery, the chemical and petroleum-based industries became predominant.

Labour productivity in the industrial sector has grown significantly since the beginning of the 1980s (of the order of 25 per cent per year). It is, however, still approximately nine times lower than that in the primary sectors. Levels of labour productivity in the manufacturing sector differ between sectors. Improvements in efficiency, measured in terms of the ratio of value added to actual production, were most apparent in the agro-food, metalworking and chemical industries. Low levels of efficiency occurred mainly in the building materials industries, paper and paperboards and textiles. A rising share of wages in total MVA from 53.2 per cent in 1975 to 61.4 per cent in 1985 appears to be an indicator of overmanning, which seems to be one of the principal causes of low labour productivity.

Almost all Congolese manufacturing production is destined for the domestic market. The share of manufactured exports in total exports has continued to decline since the beginning of the 1960s, falling from 50.9 per cent in 1965 to around 7.9 per cent in 1984. The operation of the petroleum refinery has permitted an increase in the export of chemicals and miscellaneous petroleum products. This export substitution has been matched by a change in Congo's direction of trade; while wood products are essentially imported by developed countries, Congolese exports of petroleum products are mainly to developing countries. The share of manufactured imports in total imports has increased. In 1984, more than 60 per cent of manufactured imports consisted of machinery and equipment. The import trading partners of Congo are essentially industrialized countries.

Some of the larger manufacturing companies are state owned. They were created with the intention of making Congo self-sufficient in a range of basic products, but many have been operating at a loss in recent years. Labour productivity was 7.5 times lower in the public sector than that of the private sector. Most of the smaller companies are private or mixed. Overall the private sector accounted for 72.2 per cent of the turnover of the industrial sect.. in 1983, and this is set to grow as the government's reform measures come into effect.

3. Obstacles to production

A major obstacle to expansion of the manufactoring sector is the smallness of the domestic market. Competition from neighbouring countries, particulary from Cameroon, is enhanced by the progress in the region's inland transportations. Congo has developed the same industries, e.g., textiles, paper-pulp, petroleum refining etc., as its neighbours.

4. Policies directed towards the manufacturing sector

Most industrial plants are in Brazzaville, Pointe-Noire and Nkayi. The Five-Year Development Plan for 1982-86 spells out the need to balance regional development. However, the reversal in the oil market starting in 1983 and the operating difficulties of the State enterprises placed a heavy burden on the implementation of the Plan. In 1985, the implementation of the Plan in the industrial sector could be assessed at less than 35 per cent: the rehabilitation of State enterprises, the prime object of the Plan, had still not been achieved. In the Second Five-Year Plan (1987-91), priority will be given to the rehabilitation of State enterprises, maintenance and rehabilitation of production plants and the development of new projects.

5. The scope for rehabilitation

The tiny size of the manufacturing sector prevents rehabilitation on any significant scale, but there is scope for rehabilitation within the framework of Congo's economy. The decline in investments, and low productivity mainly in public enterprises, imply there is need for rehabilitation across a great variety of branches. Together with the relatively stable political structure, and the high priority given the rehabilitation of State enterprises in the Five-Year-Development Plan, there seems also to be <u>scope</u> for rehabilitation. Financial constraints have, however, inhibited the government from fullfilling its intentions.

UNIDO currently operates two small projects in Congo, but neither of them deals directly with rehabilitation.

6. Recommendation for UNIDO follow-up action

Specific requests from the Government of Congo for assistance from UNIDO with regards to rehabilitation ought to be looked upon favourably. Barring such a request, no particular action is recommended.

CENTRAL AFRICAN REPUBLIC

1. General introduction

General Kolingba is continuing to consolidate his government, which relies on support of the army and of France. Kolingba's election in the 1986 presidental elections was a major step in normalising his government and co-opting members of the civilian elite. Opposition is scattered, and some are in prison or in exile. As a landlocked country, CAR's relations with its neighbours, particularly in the west and south, are crucial for trade purposes. The present government maintains good relations with Cameroon and Zaire, but little more than than a working relation with Congo.

CAR has a population of 2,6 million and with a per capita income of $270 mn in 1984, CAR belongs to the group of least-developed countries. Agriculture, including forestry, is the mainstay of the economy and accounted for about 41 per cent of GDP in 1984, mining and manufacturing accounted for about 11 per cent and services for 44 per cent.

Serious mismanagement of the economy in the 1970s and adverse external factors, resulted in a decline of output and income per capita between 1977 and 1982. Major external and internal imbalances were financed through the accumulation of internal and external arrears. This provoked substantial declines of both official aid and private investment. Serious attempts at promoting the economic recovery of CAR began early in 1982. These efforts have benefitted from the support from France, other bilateral donors and international organisations, including the World Bank and the IMF. CAR economy has responded positively to the goverment's recovery measures. Production in the agricultural sector did fall sharply as a result of the severe drought in 1983, but real GDP growth of 3.6 per cent in 1984 and an estimated 2.5 per cent in 1985 suggest an upward trend.

The main exports are diamonds, coffee, timber and cotton, each providing more than 15 per cent of total export revenue. This diversity in export structure gives CAR a measure of security against the characteristically sharp movements in the international markets. CAR has recorded successive trade deficits since 1981. A recurring outflow of services, particularytransport and insurance, has not for many years been fully compensated by the inflow on net transfers, with the result that a trend of regular current account deficits has developed.

At the end of 1984, total disbursed external debt was $296 mn, equivalent to 45 per cent of GNP. The DSR has risen from very low levels in the late 1970s to become a significant burden. Debt rescheduling has been agreed by the Paris Club in 1983 and 1985. Continued IMF supervision of the economy and regular reschedulings are expected to reduce the debt service burden to managable proportions in the range 10-15 percent of exports. Debt owed to private banks has been much reduced in recent years.

2. The manufacturing sector

CAR's manufacturing sector is small, and its share of GDP has hardly changed, decreasing slightly from 7.8 in 1979 to 7.3 per cent of the total in 1984. The manufacturing sector achieved average annual growth in terms of MVA of 5.4 per cent in 1965-75 but of only 0.2 per cent in 1976-81. The manufactoring sector is concentrated to the capital, Bangui. Ownership of the larger companies is dominated by foreign, especially French interests. Private domestic business is only growing slowly.

In terms of composition of MVA, there has been a noticeable shift from textiles to beverages and tobacco. Textiles and clothing accounted for 26.6 per cent of gross output and 25.2 per cent of total manufacturing employment in 1985, thereby recording a decline from 1975, when corresponding figues were about 57.7 and 63.9 per cent respectively. In terms of growth of value added per employee, the textiles sector shows a considerable growth, 22.43 per cent. Cotton production has still not returned to the levels of the 1974-75 season, although the current restruction in the cotton industry has started to improve the supply of raw materials to the textile companies. Beverages and tobacco recorded a significant increase in their share of total manufacturing value added, from 17.3 and 9.2 per cent in 1977, to 19.1 and 26.1 per cent in 1982 respectively. Together, they employed 1,270 people in 1985, or 21.7 per cent of total manufacturing employment.

Other manufacturing sub-sectors of any significance are wood products, footwear, chemicals and food products, which amounted to a combined share of about 20 per cent of total value added in 1982. The most important of them, wood products accounted for 10.5 per cent of value added in 1982, and recorded a remarkable growth of value added per employee of 61.58 per cent between 1975 and 1986.

3. Obstacles to production

The small size of the domestic market acts as a major constraint to the manufacturing sector. The very small financial sector is another constraint. CAR also has to cope with the recurring problems of a landlocked country with inadequate transport links for the movement of goods. Manufactures account only for a small percentage of total exports. Some scope exists for higher earnings, notably for diamonds and timber, but high transport and fuel costs make export promotion for the latter a difficult challenge.

4. Policies directed towards the manufacturing sector

The government has embarked on a programme including a wide range of privatization, public sector reform, and restructuring of State enterprises. It now takes the view that industrial development should be primarily the responsibility of the private sector. The emphasis in official industrial policy has moved from import substitution to the supply of basic needs with local resources, while continuing to enhance export performance. In the provisional Economic and Social Development Plan (1986-90), the allocation to industry is neglegible. With a predominantly agrarian economy, the priority accorded to rural development in the Plan is the clearest way of increasing purchasing power and hence demand for manufactures.

5. The scope for rehabilitation

The tiny size of the manufacturing sector limits the scope for rehabilitation, although there might be some scope in the cotton industry, where a restructuring programme has started to improve the supply of cotton. Through a $43,500 UNIDO project a brick making plant is being rehabilitated.

6. Recommendation for UNIDO follow-up action

No particular action is recommended at this point of time.

CHAD

1. General introduction

Since independence in 1960, Chad has experienced civil violence on a scale and intensity for which there are few parallels in Africa. Urban riots, rural insurgencies, ethnic violence, factional in-fighting, army coups and armed interventions from its neighbours, form the dismal background against which much of its recent history has unfolded, culminating in 1983 with the virtual annexation of one third of its territory by Libya. Not until August 1987, after a series of decisive engagements against the Libyan forces, did the country recover most of its territorial integrity. The Anouzo strip, remains a major bone of contention between Tripoli and N'djaména. By late 1986 civil order has been re-established south of the 16th parallel by a government committed to recapturing the north from Libya and its Chadian allies.

With a per capita income of $68 in 1985, Chad is one of the world's poorest countries. Its economic development has been held back by a landlocked location and harsh and variable climatic conditions. The country's economy is overwhelmingly dependent on agriculture and cattle herding, which together account for about 60 per cent of GDP. Cotton is the principal cash crop and contributes 90 percent of Chad's foreign exchange earnings. Above the tenth latitude stock breading is extensively practised, but the droughts have reduced the size of the herds. Although deposits of uranium, gold, oil and bauxite have been detected, none are as yet commercially exploited.

The first half of the 1970s witnessed a prolonged drought which caused average GDP growth to fall to less than 1 per cent a year. The conflict of 1979-82 further severely disrupted the economy, causing real GDP to shrink by about 30 per cent. After the establishment of the current government in 1982, and with the progressive restoration of stability, the economy began to recover. A drought of unprecedent severity in 1984, followed almost immediately by a sharp decline in the world price of cotton interupted this progress. 1985, however, saw real growth of 29 percent, the result principally of the effect of good rains on food production. Overall, real GDP was still marginally lower in 1986 than it had been in 1977.

Except in 1984, Chad has constantly run large trade deficits. The deficit widened dramatically in 1985-86, due to a surge in imports and depressed export earnings, reflecting the steep descent in cotton prices and the fall in cotton production. By 1986 exports were less than half the value of imports. The share of cotton in total exports fell from 74 per cent in 1984 to only 44 per cent in 1986. Large inflows of official grants have in recent years exceeded the value of exports, but have still been insufficient to prevent large current account deficits since 1985. In 1986 the estimated deficit was equivalent to 10 per cent of GDP.

According to IMF data, Chac's total external debt had risen to $163ûmn by the end of 1986. This was equivalent to 18.6 percent of GDP. Actual debt service has remained fairly low, and the debt service ratio, calculated as if arrears had been payed, was 9.7 in 1986.

2. The manufacturing sector

The manufacturing sector accounts for 8.4 per cent of GDP in 1984. According to the UNIDO data, the average annual rate of growth during the 1970s was 0.5 per cent, and -8.6 percent between 1981 and 1984. A substantial portion of manufacturing activites involves small scale enterprises and craft industries which operate in the informal sector, and thus are seldom recorded in the official statistics. The manufacturing of agricultural tools, carts, ploughs, weeders and so forth belongs to this informal, yet significant sector of the Chadian economy.

Agricultural processing is the principal source of manufacturing activities, which are essentially centred in Moundou and N'djamina. Cotton processing is the major activity. Textiles accounted for 31.7 per cent of total manufacturing value added in 1982. There are 26 cotton gins in the country with a capacity of 184,000 tons, though half of these have now been closed and capacity in 1986 was estimated at 120,000 tons. Cotton seed is the source of the economy's self-sufficiency in edible oils and soap. In 1986 food products and beverages accounted for 31.7 and 15.8 per cent respectively of total manufacturing value added. Growth of value added in these sub-sectors, between 1975 and 1986, were 3.32 and 5.19 percent respectively. Since 1983, industrial production has in general been recovering steadily, although most of the industrial enterprises are still operating below capacity.

3. Obstacles to production

The manufacturing sector is exposed to keen competition from Nigeria, partly because of the opportunities for illegal border trade. Textile production, by the Socitti Tchadienne des Textiles, declined by over 10 per cent in 1986 as illegal Nigerian imports increased. The performance of other manufacturing sectors, including sugar refining, brewing and cigarette production, has also been affected by smuggling, as domestic prices increased following the introduction of a new tax in October 1986.

4. Policies directed towards the manufacturing sector

One fourth of the existing small- and medium-sized private and mixed enterprises in the manufacturing sector were destroyed during the hostilities of 1979-82, most of them around N'djamina. To promote the recovery of the manufacturing sector, the Chadian Government has offered exemptions from import duties on materials necessary for enterprises to re-establish themselves, and, in certain cases, increased access to bank credit for investment purposes. Enterprises have also benefitted from a moratorium since 1980 on bank credits. Also, a loan was received from the European Investment Bank in 1985 to finance investments in small- and medium sized enterprises.

5. The scope for rehabilitation

The Chadian economy has, to some extent, recovered from the devastation of the war. Rapid growth, from an exceedingly low base in 1982, has brought many economic indicators back to pre-war levels. Although the tiny size of the Chadian manufacturing sector prevents rehabilitation on any significant scale, the severe conditions during many years certainly have left many industrial enterprises in need of rehabilitation. UNIDO is giving assistance in the rehabilitation of the production of construction material through a $1.1 mn project which has been relaunched in 1987 after several years of delay. In general rehabilitation needs are likely to be especially pronounced in the cotton processing sector. However, the risk of recurring drought or the resumption of the conflict in the north cast a shadow over prospects for economic growth and to some extent over the success of a rehabilitation scheme.

6. Recommendation for UNIDO follow-up action

No particular follow up action is recommended at this point of time.

COMOROS

1. General introduction

The Federal Islamic Republic of the Comoros Islands is comprised of three islands strategically located across the mouth of the Mozambique Channel. A fourth island has remained under French rule and serves as a naval base. The country is politically inherently unstable and the present government is for its security heavily dependent on foreign troops of mercenaries. It receives fairly generous donations from France and the Gulf states but since 1986-87 the influence of South Africa has increased rapidly, reflecting a growing interest in the Comoros as a tourist resort for white South Africans.

The Comoros is one of the poorest countries in the world, with a GDP per capita of $341 in 1984. During the 1970s growth in GDP per capita was negative, but during the period 1981-84 - when Africa as a whole experienced negative growth - the average annual rate of growth in real GDP for the Comoros islands was positive at 0.7 per cent. Agriculture employs most of the people and contributes about half of GDP. Traditional cash and export crops are vanilla and cloves, both of which are faced with worldwide over production and falling prices. Ylang-ylang is also an important export item, mainly to the French perfume industry. The main source of foreign exchange receipts, however, is foreign aid, although there is potential for fishing and tourism.

2. The manufacturing sector

Manufacturing accounts for around 5 per cent of GDP. According to a 1980 ILO survey, there were 125 firms employing some 700 people, engaged mainly in the manufacture of food products, garments, furniture, soap, jewellery and handicrafts. Except for an ylang-ylang distilling plant, most enterprises are small to medium sized and fairly evenly spread across the two most populous islands.

3. Obstacles to production

Among the constraints to expanded manufacturing production in this small island economy are the shortage of raw material, shortage of skilled manpower and the high transportation costs. The dependency of foreign aid is also a constraint, which is being felt as the aid flows from the Gulf states is decreasing and not replaced by other donors.

4. Policies directed towards the manufacturing sector

The government is making an effort to expand the economic base of the country and decrease the dependency on vanilla and ylang-ylang. These policies are encouraged by the donors, and a recent donor conference has identified 36 manufacturing projects, all of which would be new investments. However, so far none of these projects have been undertaken, and it seems unlikely any will be undertaken in the near future.

5. The scope for rehabilitation

The World Bank and UNIDO have studied the Comoros and given recommendations on industrial development, but so far no projects have been undertaken. Possibly the Comoros would benefit from outside assitance in maintaining their plants for ylang-ylang production, which have been in operation for some years. However. UNIDO does not have any projects ongoing in the Comoros at present.

6. Suggestion for UNIDO follow-up action

No follow up action is recommended.

COTE D'IVOIRE

1. General introduction

Since independence in 1960, Cote d'Ivoire has enjoyed a remarkable degree of political stability. Today, however, the political scene is overshadowed by the great uncertainty about what will happen when President Houphouet-Boigny, now officially 82, dies. No successor, at least not initially, will be able to combine the prestige and experience of the man who has dominated Ivorian politics for four decades. Unrest has increased in seriousness since the economy took a sharp turn for the worse in 1980, but the fundamental stability of the country does not seem to be seriously threatened.

With a GNP per capita of $720 mn in 1986 Cote d'Ivoire ranks well a head of its neighbors within the West African Community. Its population of 10.3 million is growing at a rate of 4.5 per cent per year, of which 3.5 per cent is natural increase and 1 per cent is net immigration. Cote d'Ivoire is essentially a agricultural country, relying on its two principal cash crops, cocoa and coffee. Although agriculture is the primary occupation of some 79 per cent of the workforce and accounts for almost 30 per cent of GDP, the country is not self-sufficient in food production.

During the first years of independence, Cote d'Ivoire's economy had one of the highest real growth rates in Africa. However, a deep recession began in 1981 and lasted until 1984. With the support of the IMF and the World Bank, the government imposed tough austerity measures from 1981. Excellent harvest and improved agricultural export prices broke the recession in 1985-86. The subsequent slump in commodity prices sharply reduced revenues, while the depreciation of the dollar against the CFA franc increased the debt burden. There was a substantial decline in the trade surplus during 1986 and this trend was even more marked in 1987. Data on the the capital account reflect the drying up of investment and credit flows in the 1980s. A decline of more than 5 per cent in real GDP per capita is forecasted in 1987, while the public finance deficits are expected to represent 7.3 per cent of GDP.

Agricultural products account for almost three quarters of export earnings. Cote d'Ivoire is the world's largest producer of cocoa and the third largest of coffee. These two commodites accounted for 60 per cent of Cote d'Ivoire's export earnings in 1985, so the country is particularly vulnerable to adverse shifts in their prices. Another important export is timber, which accounted for 7 per cent of export earnings in 1985, but forestry resources have been greatly depleted and timber exports have been falling.

Cote d'Ivoire's external debt totalled $8.4ûbn (142 per cent of GNP) at the end of 1985, according to the World Bank. The government was obliged to reschedule its foreign debt with both the Paris and London Clubs for 1984 and 1985, and in mid-1986 the government secured a multi-year rescheduling agreement. In May 1987, Cote d'Ivoire again suspended payments on its foreign debt.

In December the Paris Club declared a rescheduling on more favorable conditions than Cote d'Ivoire's status as a middle income country normally would permit. The London club of private sector lenders has proved less generous, though.

2. The manufacturing sector

Until the recession of 1981-84, the manufacturing sector was one of the most dynamic in Cote d'Ivoire's fast growing economy. Manufacturing output increased by 8.9 per cent a year in real terms between 1965 and 1974 and by 5.0 per cent a year between 1973 and 1984. The importance of the manufacturing sector has declined since 1970 and now generates around 11 per cent of GDP. The manufacturing sector is charactarerized by predominance of large-scale enterprises, weak inter-industry linkages (particularly between foreign and small-scale local enterprises), high proportion of foreign ownership and concentration of industries in the Abidjan area. The bulk of technology, finance and management skills originate in developed countries.

The manufacturing sector is based mainly on the processing of cocoa, coffee and other agricultural commodities. Agro-industry is vulnerable to crop fluctuations caused by natural hazards.

The food products sector accounted for 25.5 per cent of gross output and 32.9 per cent of total manufacturing employment in 1985, thereby recording an increase from 1975, when corresponding figures were 23.0 and 22.4 per cent respectively. The industry's share of manufacturing value added also increased, from 21.0 per cent in 1977 to 34.5 per cent 1985. The second largest sub-sector, both in terms of employment and terms of value added, is the textile industry, with 17,800 employees 1983 (32.9 per cent of total manufacturing employment) and a 22.1 per cent share of manufacturing value added in 1985. The same sector records the fastest growth of real value added per employee of all manufacturing industries in Cote d'Ivoire. For the period 1975-85 the figure is 6.73 per cent, while food products for this period recorded a growth of 2.51 per cent. Other manufacturing branches of any significance are fabricated metal products, transport equipment, chemicals and wood products. Together they accounted for about a quarter of total value added in 1985. Transport equipment and wood products recorded a substantial decline in their shares of total value added, from 12.7 and 8.0 per cent in 1977 to 6.9 and 3.1 per cent in 1985 respectively.

The industries producing goods for export are the food industry (fruit juice and preserves, coffee and cocoa processing, oils and fats) and the rubber, wood and textile industries (local cotton). Since 1972, these have developed more rapidly than industries producing for the domestic market. Manufactured exports accounted for 20 per cent of industrial production in 1960 and 44 per cent in 1980. The main export markets, which takes three quarters of Cote d'Ivoire's exports, are the developed countries. Exported goods are tropical products processed to varying degrees. The second, quite different market in terms of product range, is that of the regional neighbours. To those countries the Abidjan market is a pole of development.

A comparison between the growth of domestic production for the local market and that of imports of the same products from 1974 to 1980, shows that imports grew faster than domestic production only in the case of products such as chemicals and metals, for which the country has few resources.

3. Obstacles to production

The major problem hampering the development of the manufacturing sector is the foreign exchange shortage. The low export prices of cocoa and other important export goods further exacerbates this problem.

4. Policies directed towards the manufacturing sector

Since 1981 the government has been trying to promote industrial development through a series of industrial reforms aimed at making industry more diversified and competitive. The World Bank has provided finance to help industrial enterprises adjust to the more liberal commercial policy.

5. The scope for rehabilitation

Cote d'Ivoire has a well educated work force and a relatively varied and diversified economy with an outward looking private sector. The political situation is stable, though the succession question remains unsolved. Although the present situation is characterized by unfavourable export prices for the country's main export commodites and heavy foreign debt obligations, the conclusion must be that Cote d'Ivoire, in the African perspective, displays considerable scope for industrial rehabilitation, even on a significant scale.

UNIDO is operating one $177,200 project with the purpose to strengthen the government's capacity to restructure and rehabilitate its industries, which are financed by CCI.

6. Recommendation for UNIDO follow-up action

Declining levels of investment in many industrial branches in recent years implies vast opportunities for rehabilitation of manufacturing industries in Cote d'Ivoire. However, it is difficult to assess which particular branches would show the best scope, since no specific mentioning of this is made in the material covered for this report. The food processing and the textiles industries seem to be the major candidates, though. They are the most important industries by almost any criteria, and they are capable of generating much needed foreign exchange.

It is recommended Côte d'Ivoire is made subject to UNIDO in-depth study.

DJIBOUTI

1. **General introduction**

Djibouti's political situation is presently relatively stable internally and the present regime enjoys working relations with both Ethiopia and Somalia. The major threat to the existing stability originates from the many conflicts in the region rather than from the country itself. Externally Djibouti tries to maintain good political relations in all quarters of relevance to the country and receives substantial aid flows from multilateral agencies as well as the USA and other western powers.

Djibouti is a small country (23,000 square km) and effectively a city state. The population is estimated by the World Bank to 350,000 (1984), a quarter of which leads a nomadic life in the semi-desert hinterland. The largest ethnic group is Somali while the Afars are well represented in the administration. Both groups adhere to the traditional hierarchy of sultanates, which gives considerable influence in Djibouti politics to some sultans residing outside the country (in Ethiopia particularly). The literacy rate was estimated to only 10 per cent in 1982 and more recent data suggests that barely one tenth of eligible children attend school. Despite strenuous efforts by the Government, Djibouti remains a major consumer of the drug qat.

United Nations statistics show a GDP per capita of over US$ 1,000. For various reasons, however, this figure gives the false impression Djiboutians have a higher living standard than people across the borders, in Somalia and Ethiopia. In practice most Djiboutians live at subsistence level or below. The economy itself is based very largely on services, centred on the port, railway and French military garrison, which accounted for over 50 per cent of GDP in 1984. There are no minerals of any significance, manufacturing is embryonic, and agriculture is severely constrained by shortages of both land and water.

Growth was fairly favourable the first years of independance: between 1978 and 1982 average real annual growth in GDP was put at 3.5 per cent (a major contribution came from France but since 1982 the French assistance has declined). From 1982 and up to 1985 GDP has been nearly static in current price terms. Nominal growth has declined to an annual average rate of only 0.6 per cent between 1983 and 1985. Minimal inflation implies real growth has been of the same order. Future prospects for economic growth depend largely on Djibouti's ability to successfully implement the current development programme. The ambition is to become a regional service centre, which in turn requires upgrading of facilities as well as expertise.

Djibouti has little to export but needs to import a lot. Hence the trade balance always has shown a substantial deficit with exports covering only a fraction of imports. But Djibouti is an important transit port. A quarter of imports and nearly 40 per cent of exports by volume were destined for, or sourced in, Ethiopia or Somalia. Only food and live animals appear as separate items in the export data, together comprising a quarter of total exports.

Imports are of a wide range of goods, from machinery and capital equipment to food. In 1983 and 1984 total imports to GDP were over 55 per cent (including transit trade).

A positive net on the services account, as well as the - despite some reductions - still fairly general official transfers, gives a lower deficit on the current account than the trade balance (but it is still well above 10 per cent of GDP).

The Djibouti franc has been pegged to the US$, at Dfr 177 per US$, since 1973. This has meant substantial swings against the French franc - the major currency in the country's trade. The dollar appreciation caused the Government to introduce some severe austerity measures and incrase its efforts to raise the level of foreign assistance and investment. One result was that the external indebtedness of Djibouti increased sharply after 1983. In 1982 disbursed debt to GNP stood at only 7.5 per cent. Since then disbursed debt has gone up from US$ 24.4 million to US$ 97.6 million in 1985 implying a share of GNP of about 30 per cent. Nearly 90 per cent of the debt is, however, consisting of concessional loans and the DSR is well below 10 per cent. Barring recent changes in the foreign exchange regime, terms of trade will have improved since the US dollar started its slide in 1986.

2. The manufacturing sector

Manufacturing as a share of GDP has changed very little over the years. In 1975 it stood at 7.0 per cent, rose to 8.6 per cent in 1978-79 and declined to 7.3 per cent by 1984. Despite the negative impact of the events following independance - the Ogaden war not least - overall performance was slightly better during the 70s than during the first years of the 80's. The figures for real growth indicate this by showing the annual average at 6.3 per cent for the 70's and negative 0.3 per cent for the period 1981-1984. However, the easing of general economic conditions in the past couple of years can be expected to have had a positive impact on these kind of growth figures.

Activity in the manufacturing sector is concentrated to building, agro-industry, mechanical and small artisanal industries. The major industrial concern is the 25,000 bottles per day mineral water factory at Tadjoura, inaugurated in 1981 at a cost of $25 million, and which exports to Saudi Arabia and North Yemen apart from supplying the local market. One dairy was constructed in 1982 and a second, the state dairy, in 1985. There are ice and carbon dioxide plants and plans for a new abattoir and tannery. The 1984-88 development plan also envisages tile, paint and cement production to be started.

3. Obstacles to production

Among the obstacles to development Djibouti is facing, the small size of the local market, competition from stronger economies nearby and difficulties in supplying the region, all are major constraints on the scope for development. However, there is scope for the processing of raw material for domestic use, such as milk, flour, pasta and soap.

4. Policies directed towards the manufacturing sector

The Government's policies for the manufacturing sector has been ambitious. In fact over-ambitious in the eyes of the World Bank and other major donors. The $500 million investment programme for 1984-1986, which the Government put forward to donors in 1983, included a number of agro-industrial and import-substitution medium and small-scale manufacturing projects. However, the plans had to be scaled down due to the foreign exchange shortage. A World Bank mission identified a group of projects that could be deferred or cut back, and queried the usefulness of some projects. Among those a cement industry on the grounds that it would far exceed the capacity of local industry. There is no indication of the Government having lowered its level of ambition. Given more favourable economic conditions, there should be some scope for further realisation of investment plans.

5. The scope for rehabilitation

The tiny size of the manufacturing sector implies in itself there is relative little scope for rehabilitation in that sector. Among donors as well as in the Government the emphasis also clearly is to expand the manufacturing sector and develop new industries rather than to rehabilitate existing ones. There might be some possibilities within the manufacturing sector that supply and service the port and the transportation system used for the transit trade. Insofar as these plans are being actively pushed forward by the Governent, and supported by donors, one would expect to find suitable objects for rehabilitation in that area. It would be on a small scale, however, since there is no particular mentioning of neither rehabilitation needs nor plans or programmes for it in the available data.

6. Recommendations for UNIDO follow-up action

No specific follow-up action regarding Djibouti is recommended

EGYPT

1. General introduction

President Mubarak, who was Sadat's Vice-President, steers a cautious course and tries to avoid to challenge Egypt's sensitive public opinion. There is a growing islamic sentiment in the country, but as a political force the islamic opposition is too divided to constitute a serious threat to Mubarak. Should the worsening economic climate cause political unrest, Egypt's military seems the most likely alternative to Mubarak.

With a GDP per capita of $713 in 1984, Egypt is classified as a "middle-income" economy. Since the overwhelming majority of the more than 50 mn people (1987) are concentrated to a small portion (4 per cent) of the area, the population growth rate of 2.5 per cent is high. According to the World Bank, the total economy grew by 3 per cent per year in the early 1970's, but thanks to the emergence of petroleum and gas as dominant resources, the average annual real growth rate in GDP rose to 9.1 per cent for the period 1974-81. Reflecting the various effects on the Egyptian economy by the declining oil prices in the early 1980s, real average annual growth fell to 5.5 per cent for the period 1981-85, to 5 per cent for 1985, and, reflecting the sudden collapse of oil prices in the winter 1985/86, to a meager 1.6 per cent for 1986.

In terms of growth of GDP per capita, the average annual rate fell from 5.3 per cent during the 1970s to some 3 per cent for the period 1981-84, according to UNIDO data. The share of petroleum and gas in GDP expanded from 6.3 per cent in 1977 to 18.5 per cent in 1980/81. The shares of both agriculture and industry declined markedly. With the reversed trend for the petroleum sector, industry has recaptured some of the relative loss it made during the period 1977-81. Despite the shrinking share of petroleum in recent years, however, Egypt's agricultural sector has continued to shrink in terms of GDP-share. In 1977 agriculture accounted for 27.5 per cent of GDP, by 1980/81 the share had declined to 20.6 per cent and by 1984/85 to 15.9 per cent.

After the revolution in 1952, Egypt instituted a set of policies designed to provide a minimum living standard for all its population. These policies included rigid rent controls, subsidized food distribution, free education, guaranteed employment of university graduates and the provision of a wide range of government services at low cost. Following effective land distribution, the government also has built up a dominant public sector and banking, insurance, transport, major trading, mining and even agriculture have been brought under the overall control of the state. The heavy iron and steel industry built up subsequently has likewise been kept in the public sector. Despite the open door policy, Infitah, of the late President Sadat, the original social welfare policies for the most part have remained in effect. One illustration of this is the fact that the public sector remains a dominant employer in Egypt; government services account for nearly 20 per cent of total employment.

Egypt's principal sources of foreign exchange revenues have since the mid 1970s been petroleum, expatriate worker remittances, Suez canal dues, tourism and foreign aid, with worker remittances overtaking petroleum in 1986 as the single largest source of revenue. Of merchandise exports, however, petroleum and related products account for some 70 per cent of the total. Other significant export items are cotton, textiles and aluminium. Exports are destined mainly to the developed countries, with Italy being the main destination receiving some 18 per cent of Egypt's total exports. Transport equipment, machines, livestock, food products, chemicals, rubber, leather, wood, paper and basic metals are the principal imports. The main origins of imports are the developed market economies. The USA and Federal Republic of Germany supply more than 25 per cent of Egypt's imports.

Huge and growing deficits in the balance of payments has been the result of falling oil prices and the related losses of revenues from Suez canal dues, arab tourism as well as remittances from egyptian workers in other arab and oil depending economies. The terms of trade have moved against Egypt, which is reflected by the fact that, with 1982 as base year, the index stood at 92.3 in 1985 and at 74.9 in 1986. Also according to the World Bank, the current account deficit was $5381 mn in 1986. The current account deficit would then have been equivalent to 14.1 per cent of GDP in 1986, steadily rising every year from 10.1 per cent in 1981.

Egypt's total debt has been reported by the IMF to be of the order $38 bn in 1987, which would be practically equivalent to GDP. The World Bank has reported the DS/exports ratio for the total debt to be 47.2 per cent in 1986. The increasing debt burden and the decreasing foreign exchange earnings led to an untenable foreign debt situation, growing arrears and eventually to a major debt rescheduling in May 1987. Many of Egypt's development constraints are policy induced, and thus can be eased, or even eliminated, with appropriate reforms. Preceding the debt rescheduling, a reform programme was instituted with support from the IMF. Initial reforms have included major steps to unify the exchange rates, credit limitations and some modest reductions in subsidies. Even if more far reaching reforms were to be introduced, however, the external position of Egypt for the foreseeable future will remain less favorable compared to the 1970s.

2. The manufacturing sector

Manufacturing constituted 12.6 per cent of Egypt's GDP in 1984, exactly the same as in 1975. The manufacturing sector employed some 1.4 mn people in 1981/82, comprising 12.1 per cent of total labor force. Consumer goods accounted for 55.7 per cent of MVA in 1973, but for 45.2 per cent in 1982. Capital goods, on the other hand, increased their share of MVA from 23 per cent in 1973 to 25.3 per cent in 1982. In total, the manufacturing sector grew at an annual average rate of 6.3 per cent in the 1960s, but the growth of MVA stagnated to an average of 1.1 per cent annually during 1970-74. With the expansion of the finacial base of Egypt, and, to some extent, as the result of liberalized policies, manufacturing activities, including oil refining, received fresh impetus and grew at an annual average growth rate of 8.2 per cent in the second half of the 1970s. Annual average rate of growth for the decade 1970-80 was 6.1 per cent, and for the period 1981-84 6.9 per cent. The envisaged growth rate for the industrial sector during the Five-Year Plan covering the period 1982/83-1986/87 was 10 per cent, a rate of growth not likely to have been achieved given the sluggish overall economic environment. The soaring imports may be taken as an indication of the industrial sector failing to keep pace with domestic demand.

As a consequence of the nationalizations of industries in the early 1960s, some two hundred large public sector firms dominate the industrial sector. Private industry has grown by an average annual rate of 12 per cent, since 1974, compared to 7 per cent achieved by the public sector during 1974-80. The public sector includes Egypt's basic industries - iron and steel, aluminium, fertilizer, heavy engineering and cement and cotton yarn - while the private sector concentrates on activities that can be carried out by small scale firms, such as garments, food products. leather products, cosmetics, wooden furniture and fabricated metal products. Agriculturally based industries like textiles and food processing form a major part of the manufacturing activity.

Egypt's oldest industry is the textile industry, processing long-staple and extra-long staple cotton. As a whole the textile industry accounts for for around 18 per cent of MVA. According to studies made in 1984, $1.8 bn would be required to upgrade the aging textile industry of Egypt.

Other studies have found Egypt seems to enjoy a comparative advantage in the production of food flavours, vegetable oils, jams and marmelades, biscuits, confectionery and starch. Yet the country is far from self sufficient in food production, apart from rice, and given the rapidly rising population, food self sufficiency will be a difficult task to achieve.

The share of manufactures in Egypt's exports is very modest. In 1982 it was estimated manufactures were exported for an amount of $253 mn, and the same year total mercha 'ise exports were reported at $5779 mn, giving manufactures a share of 4.4 per cent. Yarn and fabric are the major items exported, accounting for 51 per cent of the total manufacturing exports. Basic metals accounted for 33.1 per cent. The imports of Egypt's industry was in 1985 estimated to amount to $1.2 bn, raw materials and inputs accounting for a third of the total and capital goods, spare parts and consumer goods the remainder.

3. Obstacles to production

The sluggish economic environment is - among other things - obstructing the performance of Egypt's industry and making the target of 10 per cent annual growth seem more and more unattainable. Another constraint affecting a large portion of the manufacturing sector, is the lack of appropriate reforms and administrative inefficiencies.

4. Policies directed towards the manufacturing sector

The trend regarding the economic environment is not encouraging, but there are distinct efforts on part by the Egyptian government to upgrade and overcome administrative obstacles. To generate high industrial growth, policy is being directed towards broadening the country's industrial base by promoting investment from Egyptian and foreign sources. One example of these policies is found in the refining industry. Contrary to the trends in other oil producing countries, Egypt's refining capacity is being expanded and a $1 bn investment plan covering the period 1984/85-1987/88 has been approved. A new refinery is built - the seventh in Egypt - and a $70 mn contract has been awarded to Italian companies for the construction of a Linear Alcohol Benzol plant.

5. The scope for rehabilitation

With regards to the overall economic situation, the major challenge facing Egypt is to identify, nurture, and promote industries which can generate or save foreign exchange. The policies required to achieve this have been formulated by the IMF and other international bodies. There is no lack of awareness in the government of Egypt regarding the nature of the problems facing the country. The government has also embarked on an ambitious path to recovery. As long as the external environment remains unfavourable, however, the task is formidable. It is likely private capital will remain hesitant towards Egypt, until there are clear indications the country has reversed the negative trend. Egypt will, therefore, depend heavily on assistance from international and bilateral donors of foreign aid. Despite the depressed outlook, Egypt has the potential to embark on a path of rapid economic development. However, it would require far reaching reformation of the structure of Egypt's economy.

In terms of industrial needs there is obviously a scope for rehabilitation among many branches of Egypt's manufacturing sector. Primarily there seems to be needs for physical rehabilitation of obsolete plants and equipment - given the fact that Egypt has had a manufacturing industry for several decades. This seems to be especially relevant for large portions of the aging textile as well as parts of the food products and other agro-based industries. These industries are also crucial to develop in order for Egypt to overcome the present economic difficulties.

The Egyptian government has identified and given priority to rehabilitation of the textile industry, which in many cases is old and inefficient and at the same time is one of the candidates to help offset losses in traditional foreign exchange earnings. Whether the government's intention to carry out such a rehabilitation effort has been possible to implement in the recessionary climate Egypt's economy has been operating in for the last few years, is not clear from the available data.

UNIDO is currently operating some 30 projects in Egypt (see appendix). Out of these, only three would fall under the heading of rehabilitation. One is a $150,000 project to improve laboratories for semi-industrial services, one is a $53,500 project for maintenance training relating to fertilizer plants in cooperation with the Austrian government and one is a $9,000 survey of shoe factories to chose one for rehabilitation. The survey has been concluded and one shoe factory (ABUDA) has been selected for rehabilitation.

6. Recommendation for UNIDO follow-up action

Requests from the Egyptian Government ought to be looked upon favourably. Barring such specific requests, however, no UNIDO follow-up action is recommended at this point of time.

EQUATORIAL GUINEA

1. General introduction

Equatorial Guinea is ruled by President Obiang Nguema, who seized power in a 1979 coup. At that time the country was close to bankruptcy, isolated from the rest of the world and ravaged by the terror of the Macias-regime. However, the present regime largely caters for the same vested interests, and although several coup attempts have been reported, Obiang Nguema seems to have a firm grip of the power. Externally the coup has led to a reorientation towards the West, especially Spain and France, and Equatorial Guinea has joined the franc zone. Regionally formerly tensed relations with Nigeria have improved greatly, but Morocco is the closest ally in Africa and among other things supplies the troops for the presidential guard in exchange for diplomatic support for its policies on Western Sahara.

Since the ruinous decade of the Macias-regime, Equatorial Guinea has started a long and hard climb towards economic recovery. In 1969 GDP per capita was the third highest on the continent, but 1979 it had declined to $168, the fourth lowest in Africa. Milestones along the way have been a 1980 return to annual budgets, a donors conference in 1982 which considered $140 mn worth of development projects with priority given to agriculture, the January 1985 adoption of a convertibel currency (CFAfr) and the June 1985 first IMF standby credit worth 9.2 mn SDR. The IMF arrangement expired in June, 1986 and had not been replaced as of August 1987.

The mainstay of the economy is agriculture, both for subsistence and in the production of cash crops for export. The country has the potential of being self-sufficent in food, but food imports accounted for 25 per cent of all imports in 1983. Cocoa, which is grown on the island of Bioko, is the main export commodity. Coffee and timber have traditionally been other principal export commodities. Since recovery started, the trade deficit has been reduced, but Equatorial Guinea is still heavily dependent on foreign assistance. In 1985 the Paris Club rescheduled $28 mn in overdue debt repayments. According to the World Bank, total debt was $133.2 mn in 1985, and, according to the IMF, corresponded to 175 per cent of GDP in 1986.

The present government actively tries to promote new cash crops such as sugar cane, cotton and sisal. It also tries to develop livestock production. Both this and the large forestry resources in the continental part of the country, Rio Muni, have good potential and are attracting considerable investment by foreign companies. The fishing sector also holds considerable but untapped potential. The by far largest tonnage is caught by foreign interests, especially by Spanish boats. A three year fishing agreemnet with the EC was signed in 1986 giving Equatorial Guinea $1.88 mn annually plus $24 per ton of tuna caught. Other efforts by the government to improve economic conditions include oil exploration. If these efforts prove successful, economic prospects would be drastically transformed.

2. The manufacturing sector

Manufacturing as a sector of the economy employed 468 people in 1983. UNIDO data also show that food products accounted for around two thirds of gross output of the manufacturing sector in 1983. Of the 468 employees in manufacturing, 167 were employed in food product industries; 116 in furniture except metal, a sub-sector that accounted for 7.3 per cent of gross output; 90 people were employed in wood products except furniture, a sub-sector that accounted for 5 per cent of gross output and printing employed 39 people who contributed to 7.9 per cent of the total gross output of the manufacturing sector.

According to UNIDO data, the manufacturing sector's share of GDP was 5 per cent in 1984, which can be compared to 4.8 per cent in 1970. The average annual rate of growth was minus 10.4 per cent. In other words this tiny sector declined by approximately the same order as the rest of the economy for that period as a whole. Since 1980 the annual average rate of growth has in fact been positive 0.8 per cent, while total industrial activity as well as GDP per capita do not show such an improvement.

3. Obstacles to production

The constraints to expansion of the manufacturing sector include the present shortage of foreign exchange, the lack of adequate manufacturing tradition and skills, the ruinous state of the economy when the present regime came into power in 1979, the smallness of the market and the competition from neighbouring countries.

4. Policies directed towards the manufacturing sector

The policies of the present regime have in general followed the prescription of the IMF, at least until 1987, and thus emphasises the role of the private sector, and an outward looking and liberal environment for manufacturing including an attractive code for importation of capital as well as for goods. In other words, the policies are general and primarily directed towards creating new manufacturing industries. Whether any such projects were included in the $140 mn worth of development projects, which a 1982 donors conference identified, is not revealed by the material covered for this report, nor whether any rehabilitation projects have been undertaken by the government..

5. The scope for rehabilitation

The present policies of the government seem conducive for rehabilitation work as they are aiming at economic restruction. By virtue of the small size of the manufacturing sector, however, the scope for rehabilitation is limited. Therefore programmes for economic recovery, formulated by the government itself as well as those formulated by the community of donors, have primarily focused on developi[illegible] w industries, rather than concentrating on the few existing on[illegible] [illegible]wever, the long period of seemingly total mismanagement and ne[illegible] til 1979 certainly will have left behind needs among the industries that existed in the 1960's. However, identification of which of those branches display the best scope for rehabilitation is not possible on the basis of the available data. The major candidate industries would be the food processing and the wood furniture industry.

b. Recommendation for UNIDO follow-up action

Due to the smallness of the manufacturing industry, and despite the favourable policies and economic readjustment, no specific folow up action is recommended.

ETHIOPIA

1. General introduction

Although Ethiopia is suffering from armed conflicts and other regional and national ill-fortunes, it is politically stable.

Ethiopia is in terms of GDP per capita classified as the poorest country in the world. UN statistics show GDP per capita was $105 in 1984. Economic growth has been constrained by a number of factors since the military seized power in 1974. Regional conflicts have disrupted economic activity across the nation. In dealing with the conflicts the government has opted to obtain enormous quantities of weaponry - some $4 bn worth. The fighting in Eritrea alone is estimated to cost the government $1 mn per day.

The comprehensive reorganisation of the economy in a socialist fashion including the institution of centralised planning and nationalisation of industry has constrained output and so have a series of droughts in 1972-74, 1980-81, and most seriously 1984-85. Ehtiopia's major foreign exchange earner, coffee, was also affected by falling prices between 1979 and 1982 and again in 1987.

The figures for GDP growth are telling. Growth in real GDP was recorded at 3 per cent in 1980/81, 1.9 per cent in 1981/82, 5.6 per cent in 1982/83, -3.9 per cent in 1983/84, -6.5 per cent in 1984/85 and 11.3 per cent in 1985/86, reflecting the effects of the droughts and the swings in coffee prices.

In terms of GDP per capita growth, the entire period from 1970 to 1986 has brought declining real per capita income; for the 1970s by modest -0.3 per cent per year on the average, but then falling to -1.0 per cent a year 1981-84, when the most severe drought occured.

The share of agriculture in Ethiopia's GDP sank between 1970 and 1984 from 52.7 per cent of GDP in 1970 to 41.1 per cent in 1984, the service sector increased its contribution from 26 per cent in 1970 to 32.1 per cent in 1984, while total industrial activity accounted for 9.6 per cent of GDP in 1970 and for 11.3 per cent in 1984. In terms of employment agriculture dominates with 80 per cent of the labour force employed in agricultural activities.

Exports consist primarily of coffee, some hides and skins and the drug qat, with coffee generating on the average, and depending on the prevailing world market conditions, approximately 60 per cent of export revenues. The USA still, and despite the political grievances, buy most of Ethiopia's coffee, while the USSR provides most imports. The terms of trade have generally moved against Ethiopia since 1970, with an average annual drift of -4.7 per cent, according to the World Bank.

Rising private and public net transfers helped alleviate growing deficits on the current account in 1981-84 and reduce the deficit from $250 mn in 1981 to $132 mn in 1984. On the whole, however, capital aid has been disappointing for a country of Ethiopia's size and poverty, with $9.90 per capita in 1984 as compared to $25.50 per capita on the average for Sub-Saharan Africa. An improvement has occured since, with the USA raising its food aid considerably in 1985, but along with other western donors, it is slow and seemingly reluctant to follow up food aid programmes with development work. Ethiopia's external debt amounted to $1,869 mn according to the World Bank in 1985, equivalent to 39.7 per cent of GDP and of which 79 per cent consists of concessional loans.

2. The manufacturing sector

Manufacturing activities contributed 10.4 per cent of GDP in 1984. It is largely based on domestic raw materials with food processing accounting for a quarter of total MVA and thereby being the leading branch - particularly sugar and flour. Textiles are number two, accounting for 17 per cent of value added in 1985.

Manufacturing's output growth has been faster than in other sectors of the economy and capacity utilisation is reported to be high by sub-Saharan standards in many large and medium sized enterprises. Activity is concentrated to the area around Addis Ababa, Asmara and Dire Dawa. Most products are sold on the local market, but sugar, semi-processed hides, skins and other leather work, and oil seed products are exported.

3. Obstacles to production

Output has been constrained by the regional conflicts, the series of droughts - in 1984-85 especially, nationalisations in 1975, foreign exchange shortages and lack of new investment, raw materials and spare parts, and in addition by differences of opinion between management and workers. Due to all these factors the economy has been characterised by low agricultural productivity, a small industrial base, shortages of skilled manpower, weak infrastructure and the strains of world recession. Ethiopia is endowed with few natural resources and exploration of oil in the Ogaden region by the USSR has not changed the situation as a confirmed finding would.

4. Policies directed towards the manufacturing sector

The present ten year plan for obvious reasons places great importance on industrial development and half of the planned investment is earmarked for 216 industrial projects, a quarter of which are improvements to existing enterprises. The emphasis is on import substitution, particularly of machinery and transport equipment, industrial inputs and semi-finished products. Western aid to manufacturing has been minimal, partly due to the problems over compensation for nationalisation. Production was kept going through the drought years 1984-85 by running down stocks of raw materials and spare parts.

5. The scope for rehabilitation

From a macroeconomic point of view the scope is mixed for rehabilitation in Ethiopia. On the one hand vast needs exist, there are government plans for rehabilitation, the plans can be expected to be of good quality, the country is trying hard to maintain the upward momentum in economic development, improve its i ternational relations, but is still lacking the bilateral aid flows it from many points of view could expect.

On the other hand the combination of adverse external circumstances, regional armed conflicts and the ongoing and far reaching restructuring of Ethiopia's economy, will exacerbate existing administrative ineffiencies, shortage of foreign exchange, shortage of manpower and material and other difficulties that are normal in development work and which can threaten the success of any project even under favourable conditions. Thus it seems doubtful this would be an appropriate time for rehabilitation assistance in Ethiopia on any larger scale.

Among the 17 projects UNIDO currently is operating in Ethiopia (see appendix), several are large scale and one concerns the rehabilitation of the pulp and paper company. The project recently started, and $71,200 is allotted to train staff, up-grade accounting procedures and machine operations.

6. Recommendation for UNIDO follow-up action

No particular follow up action is recommended at this point of time.

GABON

1. General introduction

Gabon is under the firm rule of President Bongo, who came into power in 1967 and also is the founder of the only allowed political party. The Morena movement has set up a government in exile in Paris, France, but neither this nor any domestic opposition constitutes a serious threat to the present regime. Externally the links with France are strong, but Bongo has actively tried to improve relations also with other western powers.

Gabon is the third largest producer of oil in sub-Saharan Africa (after Nigeria and Angola). In 1984, when crude oil output was 8.7 mn tons, the petroleum sector accounted for 48 per cent of GDP, 84 per cent of exports and 66 per cent of total state revenue. Though this oil wealth, combined with a very small population (around 1 mn), has given Gabon the second highest GDP per capita on the African continent, $4059 in 1984, it has also exposed the economy to fluctuations in the world oil market - and to the danger of depleting oil resources. The oil sector's share of GDP started to fall in 1985, when it dropped to 20 per cent and the collapse in prices in 1986 caused exports to fall by almost a third and their share of exports to decline to 65 per cent. Production reached its peak in 1976 with 11.6 mn tons. Since then the production has declined and it is estimated known reserves will be exhausted by the late 1990's.

Gabon is well endowed also with hydropower resources and with valuable forestry and mining industries. In order to tap some of those resources, the government has invested some $3 bn on the 657 km Transgabonais railway, which was one of the biggest construction projects in the world and after 12 years work was inaugerated in 1986. Agriculture's contribution to GDP is modest 8 per cent and food stuffs account for 16 per cent of imports (1986).

Gabon's external balance has come under increased pressure as oil revenues decline. Until 1984 the trade surplus more than offset the negative net deficit on services (where services related to the petroleum sector loom particularly large). As oil revenues plummeted in 1986 the current account moved into a deficit of $947 mn. In 1987 Gabon rescheduled its foreign debt, which corresponds to 43.9 per cent of GDP, with both official and private creditors. According to the government's projections, debt will continue to increase, exacerbating both the need to resume foreign development assistance programmes, which were phased out during Gabon's "fat" years, and the need to diversify the economy away from the heavy dependence on the petroleum sector.

2. The manufacturing sector

The growth of oil, and to some extent mineral extraction and the advent of the Transgabonais railway project caused the manufacturing sector to expand. As a proportion of GDP it remains very small, though. In the mid-70's the share of manufacturing in GDP was 4.3 per cent - up from 2.8 per cent in 1970 - and by 1984 it had expanded to 6.5 per cent. The most important products in 1986 were refined petroleum (572,000 tons), foodstuffs (inter alia 18,000 tons sugar and 35,100 tons flour) and timber products (for example 74,800 cubic meter plywood). The shares of value added in 1978 were 15.6 per cent for petroleum refineries, 8.7 per cent for food products and 14.2 per cent for wood products except furniture. UNIDO data further reveals that food products grew by 10.2 per cent in real value added terms, between 1975 and 1986, that beverages recorded similar growth figures and that machinery, except electrical, recorded a growth of 74 per cent between 1978 and 1980. The same source puts the growth in the petroleum refineries to 0.47 per cent between 1975 and 1986.

Exports of manufactures is heavily dominated by refined petroleum products such as motor gasoline and fuel and lubricating oils. However there is some export of raw and refined sugar, veneer sheets and som re-export of wood pulp. For consumption of products like textiles, chemicals, iron and steel, other metals and paper products Gabon relies totally on imports.

The most important plant in the country is the Sogara refinery at Port Gentil, which recorded an output of 572,000 tons in 1986 and covers most domestic petroleum product needs. The only other product groups for which the same holds true are sugar and veneer and plywood products. Allied to the Sogara refinery is a 10,000 ton capacity bitumen plant, and the petroleum related sector also includes shipyards and metal working facilities. A ferro-manganese plant, run by Sogaferro, may eventually be constructed, and dry batteries using manganese dioxide are now manufactured locally.

3. Obstacles to production

Expansion of the manufacturing sector is primarily constrained by the general adverse economic conditions caused by the developments in the oil market. The recession in 1986, caused by the fall in oil earnings, was reflected in the manufacturing sector by an estimated 25 per cent fall in the combined turnover of the country's principal enterprises. Together they turned over half a bn dollars in 1985, 40 per cent in the petrochemicals and refining industries, some 30 per cent in food and beverages combined and 12 per cent in timber and furniture. The sector despite these developments remain relatively undeveloped. Its expansion is restricted by a very narrow domestic market, competing import substitution industries in neighbouring countries (including Gabon's partners in Udeac, the regional customs union) and last but not least the very high labour costs.

4. Policies directed towards the manufacturing sector

Plans to construct a paper pulp factory were scrapped in 1983. In light of the deepening financial crisis of latter years, the government in its planning has choosen to give priority to agriculture. Both as a means of stemming the urbanisation of the country, decrease the need for imported food and develop new sources of foreign exchange earnings. The perceived necessary cuts in the Development Plan's expenditure has therefore saved the agricultural sector, but not the industry, except mining. Nevertheless new industries have been added and more are under way. Expansion is in progress at the national paint and cement works. Of note are also the expansion of local breweries, a new mineral water bottling plant, and the construction of a sugar refinery with a capacity of 30,000 tons, and flour milling and animal feed plants. Foreign owned companies are obliged to invest 10 per cent of their profits on a tax free basis in local industries.

5. The scope for rehabilitation

From a macroeconomic perspective the conditions for expansion of the manufacturing sector as a whole are severly curtailed by the general adverse economic conditions in the country. While the need may be greater for expansion, the situation seems to imply there is scope for activities within the boundaries of rehabilitation. Primarily in the petroleum sector, where the negative future production trend is likely to prevent new investments, but also in the other sub-sectors that have existed for some time and enjoy more favourable market conditions, such as, for example, sugar and timber.

UNIDO is at present not operating any projects in Gabon.

6. Recommendation for UNIDO follow-up action

The priority given to the agricultural sector by the government could imply there is scope within segments of the manufacturing industry serving viable agricultural activities, including fish and fish processing industry, such as mechanical enterprises. Wether such enterprises exist, and are in need of rehabilitation is, however, not possible to assess on the basis of the data available for this report.

It is recommended the scope for rehabilitation in Gabon is studied in some more detail before final decision is taken.

GUINEA

1. General introduction

Since 1984 Guinea has a military government, which seized power in a coup one week after the death of Sekou Touré, who had dominated the Guinea since independence in 1958 and instituted a highly centralised, one party system of government. The new rulers have set Guinea on a new path politically as well as economically. The economic reforms hurt many of those who benefited under the previous regime, and there are clear signs of internal strains in this young nation. Externally relations with France have been markedly improved.

Thanks to its mineral potential, its ample water resources as well as climatic and soil conditions favouring a wide variety of agricultural crops, Guinea has the potential of becoming one of the more prosperous countries in the region. Ranked in terms of GNP per Capita, however, Guinea is reckoned to be among the 25 poorest countries in the world. In 1984 GDP per capita was $335 with real average annual growth since 1970 of 0.9 per cent, which was better than the 0.4 per cent recorded for Africa as a whole, but well below the 2.0 per cent recorded for all developing countries.

The economy is based essentially on agricultural and pastoral production, which forms the livelihood of about 80 per cent of the country's 6.1 mn people and accounts for nearly 45 per cent of gross domestic production. Industrial activity is heavily concentrated to mining and mineral exports account for almost all export earnings. However, the mining industry has been operated with very few linkages to other sectors of the domestic economy, thereby contributing to exacerbate earlier tendencies towards a dualistic economy. The rural sector has suffered serious setbacks, largely related to the effort by president Sekou Touré and his government to run the economy through a highly centralised system which restricted private enterprise in all sectors of the economy.

During the 1970's the performance of the mining industry was fairly positive, while other sectors of the economy suffered from lack of investments and low productivity. So when export earnings began to stagnate in the late 70's, an increasing balance of payments constraint was added to the economic problems of Guinea.

Since the military seized power in 1984 a more liberal economic regime has been introduced. A new currency was introduced in January 1986 in conjunction with a 93 per cent devaluation and an IMF stand-by credit. It has been interpreted as foreshadowing Guinea's eventual entry into the franc zone, which it left in 1960.

While the trade balance regurlarly has been positive, the current account and the overall balance of payments have been in deficit, with deficits of fairly substantial sizes. The deficits were largely financed by accumulating arrears on debt payments and by 1984 total external debt stood at $1.5 bn, equivalent to some 85 per cent of 1983 GNP. Around $200 mn was rescheduled in the Paris Club in April 1986 and reschedulings with private creditors were expected to follow suite. Debt service was estimated by the World Bank in 1985 to $67 mn, equivalent to some 12 per cent of mineral export earnings and 3.6 per cent of GNP.

2. The manufacturing sector

The manufacturing sector is small in Guinea. In 1984 it was estimated to account for 2 per cent of GDP according to EIU and for 3.3 per cent according to UNIDO. Sticking to the latter source, the growth of manufacturing was on real average annual basis 2.6 per cent between 1970 and 1984 and 4.3 per cent 1981-84. Quite the opposite development from the African continent and all other developing countries. However, it is hard to trace the source and therefore the significance of this accelerated growth in the early years of the decade. Especially since a radical change of economic regime has taken place in the more recent years. Most of the plants in Guinea are state controlled and were established to meet domestic demand. However, the only manufactured products for which domestic production satisfied domestic consumption were in 1983 vegetable oil and sugar.

3. Obstacles to production

Apart from the small size of the economy and the manufacturing sector itself, the overvalued currency, power and raw material shortages, poor management, insufficient labour skills and inadequate domestic purchasing power are factors that explain why manufacturing capacity has been chronically underutilised.

4. Policies directed towards the manufacturing sector

Since 1984 Guinea has set on a path of liberal and outward looking economic policy regime. The recovery programme's main target is a growth rate of 4.6 per cent by the end of the planning period 1987-91. The principal contribution is expected from the private sector and especially within fishing, industry, construction and private works. Overall economic reforms have, however, so far been implemented slower than anticipated in the plans, which implies continued economic strifes.

Efforts to seek financial and technical assistance to renovate and operate plants were undertaken already by the previous government, but have been intensified as part of the now existing planning. Uneconomic units are to be closed down and only those of particular national interest will be kept in state hands. Much hope and anticipation is given to the role of private sector investments. The government has announced that of the 35 state enterprises, seven would be wound up, with four being reorientated into different activities and 13 more to be overhaulde prior to their planned sale in whole or part to the private sector. The remaining eleven enterprises will remain in the public sector, but most of them will undergo some major reform. By the beginning of 1987 the process of reorientation was well advanced and bids from prospective foreign joint venture partners were being appraised. It is intended that, with a new investment code in place and with the devaluation having improved prospects for import substitution and for some limited exports, rehabilitation of existing capacity and creation of new industrial and commercial enterprises by domestic and foreign private sector interests will get under way. The World Bank is providing finance to encourage small scale enterprises operated by Guineans.

5. The scope for rehabilitation

The small size of the manufacturing sector in Guinea is a considerable constraint on any effort along the lines of industrial rehabilitation. On the other hand, the macro environment, due to the currently implemented policies, is conducive to rehabilitation programmes. Within the framework of the Guinean economy, therefore, there are clearly substantial scope for industrial rehabilitation.

Given the fact that the recent policies that have been launched in the country pay considerable attention to the rehabilitation needs, it is on one hand unclear what remains for others, including UNIDO, to do in addition to ongoing efforts in supporting the recovery of Guinea's economy. UNIDO presently operates six projects in Guinea (see also appendix). Two are large-scale projects, and several of the projects fall under the heading of rehabilitation and within the government's own programme for rehabilitation. One $[illegible].4 mn project assists in the strengthening and reparation of equipment at Conakry's Center for supply and maintenance of industrial equipment.

6. Recommendation for UNIDO follow-up action

Due to the small size of the manufacturing sector and the relatively extensive ongoing programme for rehabilitation, Guinea is at this point of time not recommended for further UNIDO study.

THE GAMBIA

1. General introduction

The Gambia has since its independence from British rule in 1965 been ruled by Sir Dawda Jawara, the leader of the People's Progressive Party. The opposition mainly comes from various parties formed by discontent former ministers. Their failure to unite and formulate an electoral pact was probably a major factor behind the for them disappointing result of the general elections held in 1987. The result of the election was that the PPP increased its seats from 28 to 31 out of the 36 seats in Gambia's Parliament. The result gives Sir Dawda mandate another five years of implementation of the economic adjustment programme, instituted with the support of the IMF, the World Bank and other creditors. Externally the Gambia has special relations with Senegal, but full realisation of the 1981 confederation agreement will probably continue to be delayed and remain in a distant future.

The Gambia is a tiny country forming an enclave around The Gambia river inside Senegal. The population is only 686,000 (in 1985), yet it is one of the most densely populated countries in Africa (62 per square km). Agriculture is the backbone of the economy, accounting for around 25 per cent of GDP, over three quarters of the labour force and almost all foreign exchange receipts. The principal activity is groundnut cultivation and processing. Cotton, rice, maize and sorghum are also grown, while fishing and tourism have become major sources of foreign exchange. Given its geographical location, as well as differences in tariff rates, prices and incentives, it is inevitable that large scale smuggling should have developed across the borders with Senegal. The powerful vested interests which developed as a result of this industry - on both sides of the border - must be held partly responsible for the slow development of the customs and economic union under the 1981 confederation agreement.

Gambia's economic performance is largely a function of its principal export product - groundnuts. With erratic production as a result of the vagaries of the weather and fluctuations in international prices, the economy is heavily vulnerable to external shocks, although a large proportion of development expenditure is financed from foreign loans and grants. The fluctuations are recorded in the figures for real GDP growth; in 1982/83 the growth in real GDP was 9.8 per cent, but for 1983/84 real GDP contracted by 10 per cent, according to EIU estimates. 1984/85 and 1986/86 also saw negative rates of growth of -2.[illegible] per cent and -8.5 per cent respectively, while growth resumed to a positive rate in 1986/87 of 5.3 per cent.

GDP per capita - expressed in 1980 prices - stood at $430 in 1970 and at $440 in 1984, according to UNIDO data. The average annual real rate of growth for the same period is recorded close to nil and, (probably) due to currency depreciations, actually negative. The currency was until 1986 pegged to the british pound, but as part of the IMF designed adjustment programme, it is presently under a regime of free float. The results of this drastic reform include - on the positive side - elimination of the black market for local currency, and - on the negative side - a sharply increased inflation rate. Inflation reached 56.5 per cent for 1986, but for the first half of 1987, the rise in consumer prices is reported to have moderated.

With only groundnuts and fish and some fish products to export, Gambia consistently has had a trade deficit - in 1980 almost twice the value of all exports. The recovery programme has brought austerity and reduced imports, cutting the trade deficit to fractions of export revenues - 9.5 per cent in 1984 and 19.1 per cent in 1985. Since 1983 the current account has showed a surplus for the first time in the 1980s, another result of the recovery programme. However, this achievement was balanced by a growing outflow of long term capital and Gambia remains heavily dependent on foreign aid. In 1985 foreign aid totalled $51.9 mn of which $38 mn were grants (total export revenues in 1985 were $62.9 mn). Aid flows have remained fairly constant since 1980. Total debt, however, has continued to surge. In 1980 disbursed debt stood at $106 mn and by 1985 at $180 mn, equivalent to 120 per cent of GDP. For the period 1986-90 debt service is projected to amount to $18-20 mn a year, and revenues of export of goods and services are projected to range from $60 mn to $80 mn a year, i.e. a DSR Gambia cannot absorb. The reschedulings that have taken place several times in recent years with both the Paris and the London Club, are therefore likely to continue.

2. The manufacturing sector

Manufacturing accounted for 5.1 per cent of GDP in 1984, up from 2.1 per cent in 1970 and down from 6 per cent in 1981. The MVA per capita doubled from $11 to $22 between 1970 and 1984, producing an average annual rate of growth of 7.1 per cent, while GDP per capita declined by one tenth of one per cent during the same period. This rapid expansion notwithstanding manufacturing remains a tiny part of Gambia's economy - which is small to begin with. Total manufacturing employment in 1985 stood at some 2,000 people, 0.65 per cent of the labour force.

The formal manufacturing sector consists of 40 to 50 enterprises of which three fifths employ fewer than 20 workers. The largest activity is buying, processing and exporting the groundnut products. Food as a branch in the UNIDO data accounts for more than half employment, three fifths of output and a little less than two fifths of value added. Other activities of any significance are brewing and soft drink manufacturing and fish freezing, paint soap and brick making plants.

3. Obstacles to production

The smallness of local markets, shortage of technical expertise and management, scarcity of raw material and local business attitudes prefering trading and investment in property in favour of manufacturing, are all factors obstructing the expansion of Gambia's manufacturing sector.

4. Policies directed towards the manufacturing sector

The general policies of the economic adjustment programme, instituted in cooperation with the IMF, the World Bank and other donors and creditors, provide reforms to liberalize the economic policies, stimulate private investment and reduce the direct control by the government over economic decisions. However, it is yet too early to register any specific results of the changed policies. In the material available for this report, there is no indication of specific programmes of rehabilitation of manufacturing.

5. The scope for rehabilitation

The smallness of the economy, and of the manufacturing sector, precludes any comprehensive programme for rehabilitation in Gambia, and to the extent there does exist individual plants, or activities, in need of rehabilitation, the available macro data does not reveal such needs. There are no ongoing UNIDO projects.

6. Recommendation for UNIDO follow-up action

Barring specific requests from the Gambian government, no specific follow up action is recommended.

GHANA

1. General introduction

Flight Lieutenant Jerry Rawlings seized power in Ghana in 1981 and has been able to strike a balance between the conflicting demands from radical and nationalistic groups on the one hand, and the demands from the IMF, the World Bank and western donors, on the other. Several alleged coup attempts have been recorded, reflecting an inherently unstable political structure as well as painful economic reforms. Despite the austerity measures, however, Rawlings seems to maintain his popularity and the prospects for continued stability must be considered good. Regionally Ghana has good relations with Burkina Faso, but tensions marr other neighbourly relations, especially with Togo with which war nearly broke out in 1986. Internationally Ghana keeps a low profile, pursuing friendly relations with both superpowers.

After several years of economic stagnation, reflecting serious structural deficiencies in the economy such as lack of a diversified agricultural sector, overvalued currecy, high importation costs for energy, two periods of drought and expulsion of 1 mn ghanaians from Nigeria, Ghana in 1983 experienced an acute economic crisis. With the support of the IMF and the World Bank Ghana then indroduced one of the most ambitious economic reform programmes in Africa.

It is claimed the programme is beginning to yield results. GDP stood at $4.6 bn in 1984, and real GDP growth, which was negative 1980-83, was 6 per cent in 1984, 3.3 per cent in 1985, and was expected by the IMF to be around 5 per cent in both 1986 and 1987. GDP per capita, which was $350 in 1984, has grown by 0.9 per cent in 1985 and 2.8 per cent in 1986, according to the IMF. Inflation, recorded at 123 per cent for 1983 was down to 25 per cent in 1986 - short of the target of 15 per cent but still a major improvement. Despite higher prices for cocoa, the main export good, and improved terms of trade, however, the current account remains a concern. The deficit was $220 mn in 1987, equivalent to 4.8 per cent of GDP. Ghana's external debt was some $2.3 bn in 1986, about 46 per cent of GNP and generating a DSR of more than 50 per cent. Despite the heavy debt burden and thanks to increased aid on concessional terms, it is however expected Ghana will be able to avoid a debt rescheduling.

2. The manufacturing sector

Manufacturing was given high priority in Ghana after independence. A relatively wide range of industrial enterprises were set up from 1957 and on with the largest including the Valco aluminium smelter,saw mills and timber processing plants, cocoa processing plants, brewing, cement manufacture, oil refining, textiles and vehicle assembly. Due to various adverse factors, internal as well as external, early progress was not built on and production stagnated, especially after 1970. Manufacturing accounted for 6.2 per cent of GDP in 1984, down from 10.5 per cent in 1975 and after several years of negative growth. In constant prices MVA was recorded at $22 in 1984, down from $49 in 1975. The negative developments are also reflected in total manufacturing employment, which fell from 77,000 in 1975 to 59,000 in 1983.

The leading branch in terms of value added was by 1983 tobacco, which accounted for 24 per cent of value added, althoug only 14 per cent of output and with 1290 people employed accounted for a marginal 2.2 per cent of manufacturing employment. Food processing branches had a share in MVA of 11.5 per cent in 1983, down from 13 per cent in 1975, while its share of employment rose from 10 per cent in 1975 to 11.6 per cent in 1983. Food processing include meal processing units, dairies, a camery, fish processors, producers of vegetable, grain and animal oils and and fats, bakeries, sugar refineries and producers of cocoa products.

3. Obstacles to production

Already before the foreign exchange crisis in 1983 occured, restricting the availability of spare parts and raw material, the rate of capacity utilisation in Ghana's manufacturing sector was down to levels around 25 per cent on the average in 1981 and 21 per cent in 1982. Power cuts were another major obstacle to production. Since the economic structural adjustment programme has been instigated, there has been improvements. Capacity utilisation was up to 30 per cent once the programme was under way and the supply of inputs improved. The original target was 50 per cent in 1984 and 75 per cent in 1986, but targets have subsequently been scaled down, and was set at 40 per cent for 1986, but it is unlikely it was fulfilled.

The textiles industry accounted for nearly 15 per cent of MVA in 1975, but had fallen back to below 5 per cent in 1983. Employment fell from 16,400 in 1975 to 9,300 in 1983, corresponding to a decrease in total manufacturing employment from 21.3 per cent in 1975 to 15.7 per cent in 1983. A UNIDO study has, however, concluded the problem is not need for rehabilitation with regards to the fall in relative importance for the textile industry, albeit domestic demand. Machinery was deemed adequate for at least another three years when this study was done in 1985, and furthermore quality of work was low and production totally geared towards the domestic market. In order to improve the quality and facilitate exportation of textiles, major investments would have to be undertaken. It was estimated some $240 mn was required for the period 1986-88.

4. Policies directed towards the manufacturing sector

The general policies directed towards the manufacturing sector follow the scope of the economic adjustment programme, which Ghana with the support of the IMF and the World Bank has introduced. The main objectives of the programme have been the realignment of relative prices in favor of directly productive activities and exports, coupled with the removal of controls; the rehabilitation of infrastructure; the restroration of fiscal and monetary discipline; and the encouragement of private savings and investments. Among the measures taken by the government are increased taxes, reduced public spending and massive devaluations.

The government of Ghana is planning a thorough rationalisation of the large state owned sector. A $55 mn loan from the World Bank supports this effort. The government has identified 500 state owned enterprises with varying needs of rehabiliation. The government has estimated 200 of those enterprises need financial reconstruction, since they are not profitable enterprises at the present moment. 30 enterprises have been given a closer study. The three with the highest priority are State Fishing Corporation, State Hotels Corporation and Tema Shipyard and Drydock Corporation.

There are several rehabilitations undertaken within the cocoa industry, some with the help of foreign assistance such as the rehabilitation of the Tema Food Complex financed in part by the Arah Bank for Economic Development.

5. The scope for rehabilitation

From a macroperspective Ghana displays a very distinct scope for industrial rehabilitation; following several years of misguided industrial and financial policies the country is on its way up from a very deep recession; the economy depends very much on export of cocoa, which in addition has rather bleak future prospects; current policies are very ambitious but although targets cannot be met, the widely received support from the international community gives some assurances policies will be kept broadly in line with the original intentions of the economic recovery programme and, furthermore, the programme seems to b accepted by the ghanaians which spells well for a relatively stable environment.

In addition, in the context of scope for industrial rehabilitation Ghana has the advantage of a detailed planning already undertaken by the government. The keen interest for supporting Ghana in these efforts among major donor countries, may also be taken into account. Therefore - compared to many other possible candidate countries - less UNIDO-resources may be required for the identification of suitable plants and enterprises in Ghana.

UNIDO is currently operating five projects in Ghana, but none explicitly concerned with rehabilitation.

6. Recommendation for UNIDO follow-up action

Despite the fact the scope for UNIDO follow-up action seems to be rather favourable, the detailed planning undertaken by Ghana itself, may imply there is little need for the precise kind of suppo UNIDO plans to undertake within the framework of this programme for industrial rehabilitation. Whether this is a valid point cannot, however, be assessed in the context of this brief country review. It is therefore recommended Ghana be kept on the list of possible candidate countries and thus subject to further study.

GUINEA-BISSAU

1. General introduction

Guinea-Bissau is ruled by President Vieira, who seized power in 1980 through a bloodless coup. During 1982-85 there was a coup attempt or an alleged coup attempt every year, but the politcal situation seems to have stabilised somewhat in recent years. However, tensions remain; there is an active opposition in Lisbon, and uncertainty prevails over the long term benefits of the tough economic reform package the IMF demands. Externally relations with the neighbouring countries Guinea and Senegal have been marred by maritime disputes. However, they are close to be settled and there seems to be a willingness on all sides to improve regional cooperation.

The economy is one of the poorest in the world, depending almost entirely on groundnuts and palm kernels for export earnings, and dependent on imports for fuels, virtually all manufactured goods and the greater part of the country's food requirements. According to UNIDO data, GDP per capita was $200 in 1984, down from $267 in 1970 and ranking Guinea-Bissau one of the ten poorest countries in the world. Real GDP growth in 1985 was recorded at 4.4 per cent, and in 1986 at -1.0 per cent.

Agriculture accounts for just over half of GDP, which totalled $175 mn in 1984. Agricultural production, mainly rice for domestic consumption and groundnuts for exports, has improved since the coup 1980, because of relatively favourable weather conditions and because of better price support to the producers. Food importation continues to weigh heavily on the trade balance though.

In 1984 80 per cent were employed in the public sector. The mixed sector, predominantly the fishing industry with capital from the USSR, France, Algeria and Portugal, employed some 5 per cent. The private sector is predominant in agriculture and trade.

Given the calamitous state of the economy by 1980, the efforts in recent years have focused on managing the external deficits, supported mainly by the IMF, the World Bank, UNDP and some bilateral donors. The main features in the recovery programme have been cuts in real salaries and wages, increased producer prices, more staff for economic planning, stricter budgetary spending, curtailed growth of money supply and sharp devaluations - the latest in April 1987 brought the peso from P265 to P650 per dollar. However, the unofficial exchange rate has remained well above the official - P800 per dollar in December, 1987. A more definite sign of which effect the massive devaluation may have had will be the trade figures for 1987, which are not available yet.

Guinea-Bissau's major trading partner is Portugal, which accounts for 50 per cent of exports (1984) and nearly 30 per cent of imports. Other important export markets include India, for cashew nuts, and Spain for fish and fish products.

There was a substantial improvement in the current account in 1986, the deficit more than halved compared to 1985 - from nearly $49 mn to $24 mn, reflecting the austerity measures introduced during the year. Reserves remain precariously low, however, and

Guinea-Bissau will need continued support from its donors. Total foreign aid was $65.4 mn in 1985, surpassing export revenues five and a half times, and of which $44.5 mn was in the form of grants. Total disbursed public and publicly guaranteed medium and long term debt was $217 mn by 1985, equivalent to 162 per cent of GNP and up from $125 mn in 1980. Bilateral creditors account for 78 per cent of the total. Debt service ratio reached 78 per cent in 1985, and Portugal, the principal creditor, in 1986 agreed to reschedule.

2. The manufacturing sector

Manufacturing in Guinea-Bissau is a tiny economic sector even by sub-Saharan standards. Manufacturing employs some 1,830 workers, according to 1977 statistics. According to the UNIDO data, manufacturing contributed only 1.7 per cent of GDP in 1974 and still 1.7 per cent in 1984, reflecting the lack of real progress in Guinea.Bissau. The largest manufacturing plant is a brewery, originally built for the portuguese troops and still partly owned by portuguese interests. Among newer plants there is a fruit juice factory, a (presently closed) Citroen assembly plant, a cotton ginnery and a $20 mn agro-industrial complex at Cumere with sections for dehusking 50,000 tons of rice and 70,000 tons of groundnuts a year and producing vegetable oil, soap and animal feed.

3. Obstacles to production

The small size of the local market, the lack of industrial skills including shortage of technical and management resources, and until 1974, the disruptions caused by the war have discouraged production as well as investment in manufacturing.

A major dilemma is the mobilisation of existing resources, as illustrated by the fact that only 5-7 per cent of the potential 250,000 tons per year fish catch is achieved and that the area devoted to farming and commercial forestry probably could be trebled.

4. Policies directed towards the manufacturing sector

The efforts to recover the economy after its sad state in 1980 have focused on managing the foreign exchange situation and the debt. The recovery programme is supported by the IMF, the World Bank and major donors. In order to restore internal as well as external balance, real salaries and wages have been cut, producer prices increased, the currency sharply devalued, domestic credit expansion curtailed and public sector demand restrained. The economy was previously geared towards increased state control, but since 1980, and even more pronounced since 1986, economic policies have favoured increased role for the private sector. The policies are controversial in the country, and positive results will probably have to come soon for these policies to be continued.

The government has announced plans to rehabilitate the Cumere complex on a reduced basis: a 20,000-25,000 tons per year groundnut oil extraction unit would be installed and other units established for the production of inedible oil, soap and animal feed.

5. The scope for rehabilitation

The scope for rehabilitation in Guinea-Bissau is limited by the smallness of the manufacturing sector as well as by the small size of the country as a whole, including shortage of technical and management resources and notwithstanding the extremely pressured balance of payments situation.

UNIDO is currently operating six projects (see appendix). Two of the UNIDO projects concern rehabilitation. One $49,000 project aims at improving two fish processing plants by reducing waste, up-grade maintenance and train the staff. Another project provides the Center for Industrial Development with an expert in administration.

6. Recommendation for UNIDO follow-up action

Barring direct requests from the goernment concerning its already instituted plans for rehabilitation, there is probably very little scope for more work along those lines, particularly not on any comprehensive scale. Therefore, no particular follow-up action is reccmmended.

KENYA

1. General introduction

Kenya's long period of political stability has in recent years shown signs of deteriorating. President Moi's position is fundamentally not very strong, and a future takeover by the military or the Kikuyu establishment cannot be ruled out.

Kenya's economic growth since independence in 1963 has been fast, but with substantial fluctuations. It has been based upon the "easy option" of import substituting industrialisation - with a big role for foreign capital - and transfers of land from large to small farm use and from low value to high value crops. The period 1963-73, known as the "Kenyan miracle" years, saw annual average real growth rate of around 7 per cent; the years 1974-76 growth declined to fractions of one per cent, due to a combination of the oil price rise, international recession and widespread drought.

Thanks to a coffee and tea price boom growth picked up during 1976-77, only to be followed by a period of renewed recession. As a result, real annual average GDP growth rates for the 1970s as a whole, were barely above the (extremely high) population growth rate (3.9 per cent). In 1985 real growth improved a little, but the per capita growth rate in GDP remained negative. A coffee boom in 1986 resulted in a real rate of GDP growth for that year of 6.5 per cent, according to the IMF, and the growth rate for 1987 was expected to remain above 5 per cent, thus for the first time since 1981 a positive, and relatively large, increase in real per capita income was achieved.

Structural change has been limited. Kenya is the most industrialised economy in East Africa, but the manufacturing sector is still small. The share of agriculture in GDP has fallen and that of government services has risen. Although investment rate is high, a large portion of investments is externally financed. The main foreign exchange earners (apart from petroleum products based on processed imported oil) are still coffee, tea and tourism (which accounted for some 50 per cent of exports of non-oil goods and services in 1985).

Imports are dominated by petroleum, capital goods and industrial inputs, although occasionally large food imports are needed, as was the case in 1984. In 1986 industrial machineries slightly exceeded crude oil, reflecting the price collapse of crude that year. Industrial machinery accounted for more than 30 per cent of total imports in 1986 and crude for some 26 per cent.

Kenya has during the 1980s regurlarly recorded deficits of varying magnitudes on its trade and current accounts. Thanks to the coffee boom the current account deficit came down to $81 mn in 1986. However, reflecting lower export revenue expectations, the IMF projected a deficit of $340 mn for 1987, equivalent to 7.9 per cent of GDP.

Kenya's leading trading partners are the developed market economies of the EC. The UK remains both the most important market for Kenyan exports and the country's principal supplier. The trade balance with Tanzania and Uganda is heavily in Kenya's favour, and

Both markets could become even more attractive and profitable to Kenya by the agreement on the winding up of the East African Community and on expansion of regional trade under the Preferential Trade Area (PTA) for East and Southern Africa. Exports to Tanzania have revived considerably since the reopening of the border in 1983, and the new stability in Uganda should open up that market again and the need for goods to rehabilitate the economy will be enormous.

The terms of trade were moving against Kenya already before the oil price increases of the 1970s. The modest improvement in tea prices in 1985 and the 1986 boom in coffee prices have moderated this trend, but only temporarily. The tendency towards foreign exchange crisis has meant resort to IMF standby arrangements on seven occasions since 1978, to the World Bank for two structural adjustment loans and to the high interest eurodollar market for loans of several hundred million dollars.

Kenya and the IMF concluded the latest rounds of stand-by and arrangement under the structural adjustment facility in January, 1988. The public total debt amounts to some $3.3 bn, equivalent to around 77 per cent of GDP, according to estmates by the IMF for 1987. The debt service in relation to exports of goods and nonfactor services was likewise estimated to 35 per cent - up from 32 per cent in 1985.

2. The manufacturing sector

Although Kenya is the most industrialised country in East Africa, manufacturing accounts for only 13 per cent of GDP. In terms of employment, manufacturing employed close to 130,000 people in 1986, thus accounting for 10.5 per cent of total wage employment in Kenya. Growth and diversification of industry has been rapid throughout since independence, and from 1970, when manufacturing accounted for 7.2 per cent of GDP, until 1980, manufacturing recorded an average annual rate of growth of more than ten per cent. For the period 1981-84 manufacturing showed a slower rate of average annual real growth at 3.1 per cent. According to the IMF, value added in 1986 for manufacturing grew by 5.9 per cent, and it was expected to grow by some 5 per cent for 1987.

The most important branches in order of their contribution to GDP are: beverages and tobacco, textiles, miscellaneous food products, petroleum products, motor vehicle assembly and other automotive products, electrical and electronic appliances and machinery, basic and secondary metal products, printing and publishing, pulp and paper products, sugar and confectionary, canned fruits and vegetables, vegetables, chemical industries, rubber, clothing, cement, meat and dairy products, wood and cork products and leather and leather goods. In terms of value of the production, the food processing industry is the leading branch with 37 per cent; the petroleum and other chemical industries account for 18 per cent, the metals products industry accounts for some 7 per cent, while beverages and tobacco only accounts for 6 per cent of total manufactured output.

All of the more important branches have shown substantial output expansions in recent years. The only industry showing a decline is transport equipment, which for some years has been adversely

affected by the removal of import duty protection. Other industries recorded growth rates for 1986 ranging from 1 per cent for clay and glass, to 29 per cent for miscellaneous manufactures. The food processing industry had a 7 per cent output increase with the output of meat and dairy products industries growing by close to 20 per cent, beverages rose by 18 per cent, metals products industry rose by 10 per cent and petroleum and other chemical industries grew by 8 per cent in 1986. The favourable performance of the manufacturing sector reflects several positive developments; improved agricultural production increased the supply of inputs to agro-based industries, and also increased demand for manufactured goods. The sharp upturn in foreign exchange earnings allowed the importation of needed inputs for the sector, while the fall in oil prices reduced the cost of production. Removal of sales tax on some items, and the reduction of controlled prices of certain manufactured goods, also helped improve the performance of the manufacturing sector.

3. Obstacles to production

The downturn in foreign exchange availability in recent years is the major obstacle today facing Kenya's manufacturing sector. There is also some uncertainty regarding the political development, which holds back new investments both by domestic investors as well as by foreign investors. Foreign capital has played a vital role in the industrialisation of Kenya. It was estimated that in 1976 42 per cent of the total issued capital of large scale manufacturing and service firms was owned by foreign residents, and a further one third of such firms was controlled by foreign residents (through majorities on boards of directors) despite being majority owned by Kenyan residents. This role of foreign capital is to some extent backfiring on Kenya in the present conditions, given the stringent rules of origin applied by the PTA for East and Southerns Africa if companies are to qualify for tariff reductions. However, remarks by President Moi do not appear to be a prelude to any change in Kenya's traditionally hospitable attitude to foreign investment.

4. Policies directed towards the manufacturing sector

There has also been heavy state investment in manufacturing, particularly in firms in which foreign capital also has an interest. Reflecting these trends and the heavy protection offered to industry, Kenya's industrial structure is unusually strongly skewed towards large scale units and towards commodity groups that are relatively capital intensive. However, since 1980, industrial policy has been shifting from protected import substitution towards trade liberalisation and export promotion. The 1986 Sessional Paper, outlining the government's strategic economic thinking, maintained this commitment, stressing in particular the need for Kenyan industry to become more competitive.

Import substitution opportunities are becoming much more difficult to find. The "easy options" in consumer goods and intermediate goods have already been taken up and import substitution possibilities are now mainly in capital goods industries which face problems because of the small size of the market. This has led to the heavy emphasis now being placed on the need to increase exports of manufactured goods in the planning of the government.

The growth target for manufactured exports in the 1983-88 development plan is 25 per cent a year and the above mentioned Sessional Paper sets the target at 6 per cent a year over the rest of this century. However, the volume of manufactured exports has actually fallen since 1973, and the overwhelming majority consists of processed fuel and lubricants from the Mombasa oil refinery, which of course is totally dependent on imported crude. Otherwise, manufactured exports are mainly made up of the marginal disposal in neighbouring countries of goods essentially produced for the home market and - since Kenya is not yet a cheap labour economy - the most promising prospect for Kenya: processed primary products, particularly food.

5. The scope for rehabilitation

From a macroeconomic point of view the scope for industrial rehabilitation in Kenya, at least on any significant scale, is mixed. To the advantage of Kenya speaks the fact that it by regional standards has a large and diversified manufacturing sector, i.e. there is a broad selection of candidate industries as well as easily accessable export markets. In addition to this, the planning strategy is well in line with efforts of industrial rehabilitation, even if some of the specific targets may be unrealistic. To the disadvantage of the country points the negative trend in political stability, and thus the ability, and perhaps also the willingness, to implement the necessary austerity measures required to achieve the plan targets. Another important constraint on the scope for rehabilitation is the difficulties Kenya has in maintaining adequate access to foreign capital.

UNIDO is presently operating eight projects in Kenya (see appendix), of which at least one directly concerns rehabilitation. It is the rehabilitation of Synthetic Fibres, Kenya, Ltd.

6. Recommendation for UNIDO follow-up action

In broad terms, the food processing industry is a major candidate industry for rehabilitation. It is one of the most important industries almost by any criteria, it has a long history in the country, and, at least according the EIU, it has a good regional export potential. The question, however, seems to be if the comparative advantage can be sustained over time, as the neighbouring countries develop their own food processing industries. To answer this, and other relevant questions, it is recommended more detailed studies be carried out.

LESOTHO

1. General introduction

Since 1980, GDP growth in Lesotho has slowed down to an average of approximately 0.5 per cent per annum. This is partly the result of the decline of productivity in the agricultural sector - pressure on the land has caused widespread erosion - partly to the closure of the country's only diamond mine. The share of agriculture fell from 27.0 per cent of GDP in 1979 to 15.6 per cent in 1984; the share of mining and quarrying fell from about 9 per cent to 3.3 per cent. The economy is now dominated by services, with 58 per cent of GDP.

The country has become highly dependent on remittances of migrant workers in South Africa, who constitute almost one-third of the Lesotho labour force. Miners' remittances now account for over 50 per cent of GNP.

Lesotho is a member of the Southern African Customs Union (SACU). This implies a.o. free entry of South African products, and Lesotho producers are in many cases unable to compete with these. The country's dependence on South Africa is exacerbated by its land-locked position.

2. The manufacturing sector

Data on the manufacturing sector are scarce. Its 1986 contribution to GDP (including artisanal production) has been estimated at 13 per cent; the modern manufacturing sector would account for approximately one-half of this figure. The sector's GDP share has doubled since the early 1980s, but due to the country's rapidly rising population, <u>per capita</u> MVA has remained at US$ 16 over the past five years. Total employment has been estimated at 8,700 in 1985. The majority of enterprises employs fewer than 100 persons.

Few post-1975 branch level data were available. The 1975 data show that food products and "other" manufactures dominated the sector in output terms, accounting for 23 per cent each. In MVA terms, however, printing and publishing dominated in 1980, with 20.5 per cent of MVA. It was followed by textiles and wearing apparel (26.7 per cent) and non-metallic minerals (15.1 per cent). Textiles and wearing apparel were also the major employer with 29.6 per cent of the manufacturing work force (in 1975). It was followed by wooden furniture with 22.5 per cent. In the absence of data, no review of structural change could be made.

No data were available on manufactured exports. Although these may have been insignificant in the past, they are likely to have grown in recent years: South African enterprises, attracted by favourable investment incentives, have used the country as a manufacturing basis for exports to South African and international markets. Manufactured imports largely consist of machinery and transport equipment and consumer goods.

Ownership in the sector is largely private, with an unknown but considerable share of South African ownership. The Government's Lesotho National Development Corporation (LNDC) has entered in a number of joint ventures with private industries. Total employment in industries with LNDC participation amounts to some 4,800.

Future developments will very much depend on South African investors. At present, South-African owned garments and footwear factories are successfully exporting from the country. These may be joined by light engineering enterprises. LNDC is also stimulating the establishment of (unspecified) import-substituting industries. Generally, the footloose nature of South African investment, and the politically volatile situation in the region, makes it difficult to speculate about longer-term trends.

Although little is known about the sector, labour-intensive SSI producing simple goods for the domestic market would appear to have some growth potential. During the 1986/87-1994/95 period, some 800 jobs are to be generated in the sector as a result of Government programmes.

3. Obstacles to production

As long as overseas buyers of re-labelled South African exports do not announce an embargo on these goods, it is likely that the present growth of industry as a whole will continue. There does not, however, seem to be much scope for the development of indigenous entrepreneurship in manufacturing (small-scale industry (SSI) excepted), given the omnipresence of South African investment and goods. There is a tendency for professional and other qualified workers to seek employment in South Africa's "homelands". This weakens the human resource base for domestically-overted industrial development, including the industrial institutions' framework.

4. Policies directed towards the manufacturing sector

Industrial planning and policy execution comes under the Ministry of Trade and Industry; little industry-specific planning, however, appears to have taken place in the past. Since 1986, UNIDO has been supporting industrial planning.

The Draft Fourth Plan (1986/87-1989/90) gives priority to export-oriented industries, mainly to be oriented towards the South African market. In part, these are to be based on a more intensive use of domestic agricultural products. However, the scope for domestic resource-based industries is limited unless a radical improvement and reorientation of agricultural production takes place.

Although active in all economic sectors, LNDC has the specific task of stimulating industrial investment. It is expected that some 7,600 new jobs will be created in LNDC-assisted enterprises during the Fourth Plan. No breakdown by industry was available. For small-scale domestic industry, the Basotho Enterprises Development Corporation (BEDCO) has been formed. In recent years, it has successfully stimulated bulk-buying projects and promoted woodworking and garment enterprises.

Lesotho is a member of SADCC. It has been proposed that Lesotho would become the locus for several industries oriented towards the SADCC market; these include textiles, salt refinery and agricultural implements. These projects have not been realized so far.

5. The scope for rehabilitation

The scope for rehabilitation in the formal sector seems limited, given the dominant presence of successful South African enterprises.

In the informal domestic sector, absence of data prevents an assessment of rehabilitation needs. It has been suggested in a 1987 World Bank study that BEDCO, in spite of its modest resources, could improve its performance as a small-scale industry promoter. This would involve a reduction of its credit operations and increased attention to training. No programme appears to have been formulated on the basis of this recommendation.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

LIBERIA

1. General introduction

The economy of Liberia is going through an extended period of recession. Since 1980, GDP growth rates have been negative. Per capita GDP was US$ 490 in 1980 but had fallen to US$ 370 in 1985. Low performance is mainly due to the stagnation in prices of Liberia's major exports, iron ore and rubber. In spite of a light improvement in rubber exports during 1986, the balance of payments situation has remained very serious due to increasing overseas remittances of foreign enterprises, the Government's inability to fully collect export taxes and increasing debt servicing obligations.

The various subsectors of the services sector dominate the economy, totalling some 47 per cent of GDP in 1985. Agriculture follows, with 19.3 per cent of GDP in 1985, up from 15.2 per cent in 1975. World Bank estimates for 1985 show that the agricultural sector accounted for 37 per cent of GDP, which may include primary processing of rubber. Although the figures are radically different, the growth tendency is visible in the World Bank figures as well. Growth in the agricultural sector seems mainly due to expanding rubber production.

2. The manufacturing sector

The contribution of the manufacturing sector to GDP has decreased from 8.4 per cent in 1980 to 7.5 per cent (World Bank: 5 per cent) in 1985. Over the 1980-1984 period, per capita MVA decreased from US$ 41 to US$ 29. The manufacturing labour force decreased from 3900 in 1975 to 2200 in 1985. These data presumably refer to the larger-scale establishments only. A 1983 USAID publication puts industrial employment at close to 6000; this includes small-scale tailoring, bakeries, etc. Data on the sector are often unreliable.

Such data as do exist show that the sector only has two branches which display consistent growth: beverages and non-metallic mineral products (rubber and iron ore processing would also have to be included, but information is not available). Production in the beverages branch expanded from US$ 8.8 million in 1975, to US$ 27.3 million in 1985; the figures for non-metallic mineral products are US$ 5.1 million and US$ 13.3 million, respectively. The food products sector comes third, but its share has decreased. While 1975 output was US$ 7.4 million, 1985 output was US$ 6.9 million. An even stronger decrease was registered in the chemicals sector, where output sank from US$ 9.6 million to US$ 4.6 million. Recently, the furniture and metal products branches have shown growth promise, but these industries are as yet small. The country disposes of a petroleum refinery, but no recent data on its production are available.

Most industrial enterprises are small, the average being 15.4 employees. The refinery (and possibly the rubber processing plants on the plantations) are much larger, but no details are available on these. The small-scale sector is dominated by garment making and wood products manufacturing.

Total planned allocations to the manufacturing sector equal $7.9 million of which the external contribution is expected to be as high as 77 per cent. A contingency plan has also been drawn for this period - in which the manufacturing sector's share is $2 million, allocated wholly to the SME sector. The priority projects are broadly in line with the policy advice of multilateral technical co-operation agencies including UNIDO. The three major concerns of the ERP within the manufacturing sector are (a) revitalizing the SME sector; (b) strengthening intersectoral linkages within manufacturing and its integration with the rest of the national economy (e.g. rubber and palm-oil processing); (c) the development of metal-based industries and technological upgrading within existing enterprises.

Under ERP, industrial policy making and execution capability in the ministries is also to be improved, and a number of infrastructural bottlenecks are to be removed.

5. The scope for rehabilitation

Although rehabilitation is unlikely to be successful if the general political and economic environment of the country does not improve drastically, and although assessments are hampered by the absence of sufficient good-quality data, a 1986 UNIDO Country Review has identified a range of companies requiring rehabilitation and capable of benefiting from regenerative activities. Most of these are found in the chemicals and plastics branch, with others in metal products, food products and furniture. The main problems identified were:

- contracting markets or strong market presence of competing imports;
- inappropriate or obsolete machinery;
- financial difficulties.

These problems are interrelated, and the study therefore points out the need for comprehensive rehabilitation programmes. These should:

- establish criteria for the extension of rehabilitation assistance;
- identify the level of rehabilitation required over the short- and medium-term, its composition (technical assistance, import financing, access to credit etc.) and the domestic and foreign components of this assistance;
- establish appropriate channels for the selection of manufacturing units considered worthy of rehabilitation,
- set up an institutional network for the delivery of rehabilitation assistance and for monitoring its use; and
- consider the early establishment of a technical unit within National Investment Commission (NIC).

The latter would become a key unit for the transfer of modern management techniques and the provision of consultancy services to domestic manufacturing enterprises.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

For the future development of the sector, the role of small and medium-scale enterprises (SME) is considered to be crucial. It is a reservoir of entrepreneurship, and with its high domestic-resource content the sector would contribute to saving foreign exchange. The most promising industry in this respect is wood products, which disposes of a good domestic raw material base Capital costs moreover are modest, and employment creation effects are strong. In the large-scale sector, rubber and iron ore processing will continue to play a role; the links of these basic processing activities to the rest of the manufacturing sector are however very weak. A large-scale scrap-metal recycling plant, involving equity participation by a Pakistani firm, has been established recently. The re-usable and re-rolled steel is to be used locally, while the non-ferrous metal is to be exported to other West African countries.

Trade in manufactured products is dominated by crude rubber on the export side. If crude rubber is excluded, manufactured exports accounted for only 3.1 per cent of total export value in 1984: the main products in this case are vegetable oils and fats (palm oil), accounting for 50 per cent of manufactured exports. Manufactures dominate imports. The most important items are transport equipment, machinery and basic manufactures.

3. Obstacles to production

The decrease of primary exports foreign exchange earnings has made it more and more difficult for the manufacturing sector to acquire sufficient inputs, spare parts and equipment. Other obstacles, however, are found as well: poor maintenance, over-staffing, frequent power cuts, weak management, limitations of the domestic market, uncompetitiveness of Liberian products vis-à-vis imports and a weakly developed industrial credit and planning system. Financial marketing and managerial constraints are especially strongly felt in the SME sector. Inter-industrial linkages are weak: there is no link between basic processing of iron ore and rubber and other industrial activities.

4. Policies directed towards the manufacturing sector

On the whole, the Liberian Government has been committed to a private-enterprise oriented industrial development strategy, a.o. expressed in a generous investment incentive strategy. Public manufacturing ownership strongly increased for a start period during the early 1980s, but public management soon ran into serious problems, and the policy has now been reversed. Industrial development planning and programming is carried out by the Ministry of Planning and Economic Affairs; the Ministry of Commerce, Industry and Transportation is in charge of "general industrial policies in support of the manufacturing sector". The division of tasks between the two Ministries is not very clear from the available documentation. An important Government agency for industrial development is the National Investment Commission (NIC), concerned with promoting industrial growth through a.o. the provision of technical and financial assistance. NIC has a special department for SME support. Industrial policy making has so far been rather inefficient. Under the 1986/87-1988/89 Economic Recovery Programme (ERP), greater priority is to be given to industry, especially SME.

LIBYA

1. General introduction

Colonel Qadhafi, the leader of the Socialist People's Libyan Arab Great Jamahiriya, has stayed in power longer than most observers would have thought possible when he in 1969 as a 28 years old army Captain ousted King Idris and began a radical transformation of this oil-rich traditional and tribal society. Qadhafi still seems to be firmly in power, although he may have passed the apex of his rule, and there clearly is dissatisfaction with his radical and unpredictable way of ruling the country. His unpredictability has been particularly noticeable in foreign affairs, and that is also the area where Qadhafi has suffered some serious setbacks in recent years, eroding Libya's international and arab influence.

Libya began to export oil in 1961, and has since then been transformed from one of the poorest countries in the world into one with a GDP comparable to that of Egypt, which has over 50 mn people against Libya's 3.6 mn. Approximately half of the contribution to GDP comes from the oil sector. The GDP per capita in 1984 was $7,036, more than eleven times higher than Egypt's. Between 1970 and 1980 GDP per capita grew by an average annual rate of 5.1 per cent, reflecting the rapidly increasing oil revenues of the 1970's. Oil revenues peaked in 1980 at some $22 bn, but have since been cut drastically due to the collapse of oil prices in the end of 1985. It was estimated oil revenues for 1986 amounted to $5 bn. Despite the fact that per capita income still is high, the reduction from previous levels has had severe effects on the economic activity of the country.

Thanks to the oil wealth Libya has developed rapidly in fields such as education, health care and other social services, and undertaken ambitious physical infrastructural projects. Development priorities have also included agricultural self-sufficiency, expansion of heavy industry based on cheap energy supplies, and promotion of the non-oil productive sector. Although growth in this sector has remained positive, even during the oil slump years, the rate of growth has decelerated from nearly 8 per cent in 1981 to a meager 1.7 per cent in 1985. The 1981-85 development plan allocated initially 22 per cent to industry, 17 per cent to agriculture and 11 per cent to communications, but the contraction of oil income caused repeated revisions throughout the planning period. A third plan, covering the period 1986-91 had still not appeared by October 1987, as targets have had to be reassessed and many projects cut, due to the slump in oil earnings. Among other effects of the recession has been expulsion of large number of foreign workers. In total some 570,000 foreigners were working in Libya in 1983, notably 174,000 Egyptians and 74,000 Tunisians, of which more than 30,000 were expelled.

By far the biggest element in Libyan foreign trade is petroleum, accounting for 99 per cent of total exports, according to the IMF. Part of that, however, consists of refined products, natural gas and petrochemicals. As export revenues have declined sharply in recent years, imports have had to be curtailed in order to prevent a balance of payments crisis. Imports amounted to some $14.56 bn in 1981, but were reduced to $4.44 bn by 1986, according to the

IMF. As a result the (civilian) current account showed a very modest deficit of $13 mn. This was equivalent to 0.1 per cent of GDP, down from minus 13 per cent in 1981 - the first year of declining oil revenues. Total foreign exchange reserves have fallen from $13.1 bn in 1980 to $3.6 bn in 1984, huge arrears have accumulated on trade debts, and Libya's appetite for barter agreements in trade has grown considerable. Overall very few areas of Libya's economy have been more or less unaffected by the slump. To those belong military spending, which, according to some estimates, has remained at a level of about $3 bn per year since the 1970's. The much publicised Great Man Made River Project, which is estimated to cost $3.3 bn in its first out of three stages, seems to receive continued budgetary allocations despite the general shortage of foreign exchange.

2. The manufacturing sector

Manufacturing accounts for little less than 5 per cent of GDP in 1984. According to UNIDO data, the average annual rate of growth 1970-84 was 16.6 per cent, with 21.2 per cent 1970-80 and 4.0 per cent the first four years in the 1980's. By comparison the MVA per capita grew at an average annual rate of 12 per cent for the whole period, 16.4 per cent during the 1970's and 0.1 per cent 1981-84. However, the IMF reports more favourable growth figures; for the period 1981-84 11 per cent in real average annual growth of value added in the industrial sector, and a further 26 per cent in 1985, reflecting a sharp increase in the output of refined petroleum products. As a result the IMF has recorded that the share of manufacturing in real non-oil GDP rose from 5.3 per cent in 1981 to 8.8 per cent in 1985. UNIDO data shows the petroleum refineries accounted for a little more than 40 per cent of gross output and 23.2 per cent of value added in 1980.

Other manufacturing branches of any significance are small scale food processing, tobacco, wood, paper, textiles and soap. Together they accounted for about a third of gross output and value added in 1980. Food products, being the largest sub-sector of those, accounted for some 16 per cent of gross output and 10 per cent of value added in 1980, thereby recording a decline from 1975, when the corresponding figures were almost 24 per cent and 15 per cent respectively. Tobacco accounted for 27.5 per cent of gross output and 38.9 per cent of value added in 1975, but in 1980 the shares had declined to 12.2 per cent and 15.9 per cent respectively.

The fastest growth between 1975 and 1980 is recorded in UNIDO data for the sub-sector "other non-metallic mineral products", which trebled its nominal valued added over the period and increased its share of total manufacturing value added from 11.2 per cent in 1975 to 14.6 per cent in 1980. In terms of growth of real value added the same sector shows the fastest growth. For the period 1975-85 the figure is 18.13 per cent, while petroleum refineries for this period record a growth of 7.87 per cent, food products 6.86 per cent, and tobacco a modest 1.11 per cent.

3. Obstacles to production

Despite the advances made in manufacturing, there has been considerable underutilisation of capacity in several industries such as food products, building materials and engineering industries. To a large extent the excess capacity has been one consequence of the mass expulsion of expatriate workers. But it is primarily linked to the cuts in development plans, forced upon Libya by the turmoil on the world oil market.

In addition to obstructing supplies of men and material, the foreign exchange shortage has forced Libyan authorities to delay some major projects envisaged in development plans. The largest projects in the 1981-85 development plan, a fertiliser complex at Sirte, an aluminium complex at Zuwara and a petrochemical complex at Ras Lanuf, are examples of projects that have been delayed due to the financial constraints.

4. Policies directed towards the manufacturing sector

The rapid expansion of the manufacturing sector in recent years reflects the high priority given to its development in line with the policy to diversify the economy.

Development priorities have included expansion of heavy industry based on cheap energy supplies, and promotion of the non-oil productive sector. The 1981-85 development plan allocated initially 22 per cent of investments to industry. However, the contraction of oil income has caused repeated revisions throughout the planning period. A third development plan, covering the period 1986-91 had not appeared by October 1987. Among projects that have been carried through, and contributed to the rapid expansion of manufacturing, is the Ras-Lanuf Refinery complex, which came on stream in 1984. The doubling of capacity of methanol in 1985 led to more than doubling the production between 1984 and 1986.

5. The scope for rehabilitation

The severe conditions during recent years have surely left many industrial enterprises in need of rehabilitation. Like in any country on the African continent, Libya would therefore be able to identify suitable objects for rehabilitation efforts. However, it is hard to identify any particular sub-sectors or branches, where the need for rehabilitation would be especially pronounced. On the contrary, Libya appears to be a case where there indeed are no such particularly adversely affected and needy branches. In selecting a handful of Africa's countries for development assistance along the intended lines one also would have to take into account the relative wealth of Libya compared to other African countries. One also will have to take into account the fact that UNIDO is operating nine projects, of which are large-scale projects (see appendix). Among the UNIDO projects is one $5.9 mn assistance in strengthening the Libyan Cement Company.

6. Recommendation for UNIDO follow-up action

At this point no particular UNIDO follow-up action is recommended.

MADAGASCAR

1. General introduction

From the early 1970's until 1983/84, Madagascar's economy registered an almost continuous decline. Per capita income decreased from US$ 440 in 1970 to US$ 309 in 1984. Extensive readjustment programmes have resulted in a certain stabilization of the economic situation in recent years, although population growth still outstrips the gains made.

Mismanagement in the public sector, which plays a dominant role in the economy, is considered the main reason for the economic problems. Decentralisation and a stronger role for private enterprise are key elements in the readjustment programme.

The Malagasy economy is dominated by agriculture, which accounted for 40.6 per cent of GDP in 1984, and some 80 per cent of export earnings. The sector employs over 80 per cent of the labour force. The services sector accounted for 49.6 per cent of GDP in 1984.

2. The manufacturing sector

The manufacturing sector accounted for 10.5 per cent of GDP in 1975 and 9.5 per cent in 1984. Per capita MVA decreased from US$ 42 to US$ 29 over the same period. Modern manufacturing employed 49,000 persons in 1984. No information was available on artisanal production.

The most important branches in the sector are food and beverages and textiles and wearing apparel. Food and beverages accounted for 41.8 per cent of gross output, 35.3 per cent of MVA and 48.7 per cent of employment in 1984. In that year, textiles and wearing apparel accounted for 35.5 per cent of gross output, 43.3 per cent of MVA and 29.7 per cent of employment. Very little information is available on the major products of these industries.

Although virtually all manufacturing branches are represented in the sector, the contribution of other branches is invariably very small. Paper and printing would appear to be the most important among these, with 6.3 per cent of gross output and MVA in 1984. Chrome ore concentrates, not included in the available industrial statistics, should also be mentioned. The industry's production has, however, declined strongly, from 176,000 in 1975 to 50,700 tonnes in 1983. In recent years, production appears to have been increasing again.

The decline in industrial production has led to a shift in branch shares over the years. The combined share of the minor industries was larger in 1975, than it is today: in 1975, they accounted for 36.7 per cent of gross output, 37.6 per cent of MVA and 32.9 per cent of employment; in 1984, these shares were 22.8 per cent, 21.4 per cent and 21.6 per cent. The decrease has been virtually uniform over all the minor branches. Manufacturing, in other words, is less diversified now than it was in the mid-1970s. It is not clear that this trend has been reversed yet, although there are some signs of overall recovery (real MVA rose again by 7 per cent in 1985).

Government ownership plays a key role in the manufacturing sector. The Government owns or controls 70 modern sector establishments, one-fifth of the total in modern manufacturing. These establishments cover a wide range of industrial activities, from meat and sugar processing to textiles, fertilizers and metal products. All industries that are considered of strategic importance are Government-controlled. It may therefore be assumed (although figures to support the assumption are not available) that public sector enterprises dominate production, and that therefore their performance is decisive for the performance of the sector as a whole.

Manufactured exports have never played an important role in total exports: their 1984 share was approximately 9 per cent. Textiles accounted for almost 40 per cent of manufactured exports, petroleum products for some 15 per cent. The petroleum refinery, however, has been closed down. Wool accounted for the same share as petroleum. The remaining exports were leather and chrome ore. UNIDO data exclude a number of agro-industrial products. Both sugar and clove oil would appear to have accounted for 7-8 per cent of manufactured exports in 1984.

Imports are dominated by manufactures. Some 50 per cent consisted of energy products in 1984. Road vehicles accounted for 10 per cent. Other important manufactured imports were capital goods, intermediate products for industry and chemicals.

Madagascar disposes of a large natural resource potential: minerals, forest, abundant agricultural land and ocean fish. The present policy changes are likely to stimulate the agricultural sector in particular. Given the good and improving raw-material base, domestic resource processing industries could play a central role in future industrial development. These industries could include cotton textiles, footwear, pharmaceuticals, meat and fish processing and nickel processing.

3. Obstacles to production

The problems in the sector are seen to have mainly been the result of inappropriate Government policies. The wholesale nationalization of key economic activities in the mid-1970s took place without much regard to the basic principles underlying viable economic activities. Lack of autonomy for company management, unrealistic price fixing methods and inadequate attention to the viability of new projects (kept alive behind high tariff walls) are mentioned as the major negative consequences of the policies followed in the past. Economic decline resulted in foreign exchange shortages which again severely restricted imports of manufacturing inputs, equipment and spare parts.

Neglect of the rural areas (e.g. rural infrastructure) and unattractive buying prices for agricultural products led to stagnation of agricultural production, especially of such industrial exports as cotton and groundnuts.

The recent development policy reorientation gives more scope to the private sector and sound economic management principles. Prices for agricultural crops have been increased. The positive impact of these measures is beginning to make itself felt now; further improvements will, however, depend on efficient longer-term policies.

To an extent, markets are a constraint to industrial development. Low per capita income and austerity measures will in the coming years preclude a major expansion of the domestic market. Demand for a number of Malagasy products has fallen in Europe, the country's major overseas market; barriers to entry in overseas markets are another constraint.

4. Policies directed towards the manufacturing sector

The available material provides few details on manufacturing policies. Available information on public enterprises and their present reforms, however, would in many cases also have a bearing on manufacturing.

In the past, a large number of non-viable enterprises was established by the Government. Like other loss-making enterprises, these were continuously subsidized by the Government to prevent closure, perpetuating their weaknesses and worsening the country's financial problems.

The present reforms include:

- reduction of administrative interference;
- reduction of price controls;
- more scope for private enterprises;
- disbanding of a number of public enterprises;
- tighter financial discipline in public enterprises;
- improved longer-term planning.

It is not clear whether these reforms have already been introduced in all public enterprises. A new investment code, promulgated in 1985, offers more scope for private foreign investment; no details were available.

5. The scope for rehabilitation

Before the question of plant-level can be effectively addressed, many changes are still needed to improve the environment in which industry operates.

As indicated above, it is by no means clear yet that the new measures to stimulate industry have been implemented everywhere, or that they have been implemented successfully in all cases. Moreover, Government agencies dealing both with industrial planning and with public sector enterprises need to be made more efficient and the expertise of staff will have to be improved. The information system on the industrial sector would have to be improved and expanded as well. Both the full implementation of the announced measures and the improved performance of industry-related Government agencies would do much to strengthen industry.

The available material indicates that closure of public sector enterprises will be unavoidable in a number of cases. However, no details are given either on the industries or the criteria of their closure.

An unidentified number of public enterprises - presumably including manufacturing enterprises - is at present being reorganized. In the absence of data, the scope for reorganization in the public sector is unknown. An indication of the extent of the problem is the overall capacity utilization rate, which has been estimated at 50 per cent.

Funds for rehabilitation are presumably included in the multilateral assistance made available in recent years. The IMF has made available SDR 260 million since 1981; US$ 630 million was pledged in 1986. The World Bank made SDR 50 million available in 1983. Part of these funds have been used to finance imported inputs and spare parts, to achieve immediate productivity gains in a number of heavily import-dependent industries. Unidentified donors provided US$ 14 million for the rehabilitation of textile plants.

At the present early stage of rehabilitation, much value is attached to auditing and technical evaluation of companies. These form the basis of feasibility studies and expected future performance studies. Shortage of qualified staff appears to be a major constraint in the evaluation process. Great importance is also attached to identifying possibilities of strengthening links with private enterprise and inter-industry linkages.

A US$ 399,200 UNDP/UNIDO project is to assist a public-sector furniture and wooden ships enterprise in Madagascar. The main components are an improvement of the enterprise's administration and a diversification of production away from ship building which is no longer considered a viable operation. Renewed growth of the enterprise is expected to have important but unidentified local spin-off effects.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

MALAWI

1. General introduction

Malawi has been classified as a least developed country by the United Nations, having a per capita income (1985) of US$170. The economy was primarily agricultural until recently, but due a.o. to the depletion of land resources the agricultural sector's contribution to the economy is decreasing. The quickly growing services sector is now the largest sector in the economy: its 1987 GDP share has been estimated at 47.4 per cent. Export earnings from agricultural crops (tobacco, sugar, tea) will, however, remain of crucial importance for the performance of the economy.

An overall constraint on economic development is Malawi's land-locked position. Its primary route to sea has been interrupted repeatedly in recent years as a result of South African destabilization in Moçambique, necessitating costly and time-consuming rerouting of imports and exports.

2. The manufacturing sector

The manufacturing sector's contribution to GDP has only grown marginally during the past ten years. Whereas the sector's share was 11.9 per cent in 1976, it was 12.1 per cent in 1987. Per capita MVA has stagnated at around US$ 26 since 1980. Growth was strong in the 1960s and 1970s, but performance was badly affected by the economic recession and the transport problems of the early 1980s. Food products manufacturing now accounts for approximately 40 per cent of the country's MVA; food, beverages and tobacco together account for one-half of MVA. The next most important branch is textiles and wearing apparel, whose MVA share (1983) was 14.8 per cent. Less important branches include wood products, printing and publishing, chemicals and fabricated metal products. The largest enterprises are found in tobacco and tea processing, textiles, wood products, vegetable oils and meat processing. More than 60 per cent of the manufacturing labour works in food, beverages and tobacco.

Small-scale manufacturing enterprises account for a relatively small proportion of aggregate sectoral investment and employment, which is mainly concentrated in the large enterprises. In the mid-1970s there were only 6 enterprises employing more than 1,000 persons each, but their share of sectoral employment was almost 40 per cent.

Manufactured exports represented 9 per cent of total exports in 1985; the figure is not expected to rise significantly during the remainder of the decade, export growth mainly being sought in diversifying agricultural exports. Textiles and sugar were the chief manufactured exports. Major imports are industrial inputs and machinery, transport equipment and consumer goods.

Structural change during recent years has been limited. The food products and beverages industries have increased their shares in manufacturing output and value-added. Although strong employment increases took place in the chemicals, plastics and machinery sectors, there was no corresponding increase in their contribution to production. Industries engaged in the processing of crops for exports are forecast to be encouraged by the strong growth in the agricultural sector. Manufacturing of intermediate goods is likely to increase considerably on account of favourable performance of exports and investment. Production of goods sold mainly for the domestic market seems to be limited by the moderate growth in consumer expenditures, though import substitution is likely to affect the output favourably during 1988-1992.

Prospects for export expansion of manufactures are mainly limited to the resource-based food processing industries. Significant scope exists for expanding regional manufactured exports but this depends crucially upon the establishment of viable long-term regional agreements on the integration of manufacturing production and investment. Initiatives within SADCC and PTA are very important for expanding manufactured exports from Malawi. Rapid growth of export-oriented industries is feasible only in the context of a regional harmonization of trade and investment policies aided by bilateral and multilateral assistance.

Large-scale parastatals and foreign-owned plants dominate the manufacturing sector. The parastatals tend to be involved in a range of economic activities besides manufacturing. Parastatals such as ADMARC, MDC and Press Holdings are often collectively involved in an enterprise. Such interlocking has on the one hand helped to stabilize industrial development; on the other, it has increased the concentration of economic power and contributed to organizational complexities.

3. Obstacles to production

Given the high import dependence of the sector, the transportation bottleneck constitutes a very serious problem. The slowdown of growth in the non-food sector is largely to be explained by this factor. Declining exports have also led to foreign exchange shortages, which again are a constraint on importing inputs. The difficult transport situation also forces manufacturers to keep large stocks of both inputs and finished export products, creating liquidity problems. In addition, the limited natural resource base of the country precludes extensive structural diversification.

In the case of small-scale manufacturing, problems compounded by lack of credit and the low buying power of the population, especially in rural areas where wage labour is uncommon. The high degree of monopolization in manufacturing is another obstacle to growth in the small-scale sector. In the formal sector, low domestic demand has also resulted in excess capacity. Moreover, inter-industry linkages are not well developed. The wood products industry has suffered from raw material depletion, unsuitable location of sawmills and technical/management problems; forward linkages (e.g. with the furniture industry) are not sufficiently exploited. The sugar industry faces quotas and depressed world market prices.

4. Policies directed towards the manufacturing sector

Malawi's development policies have always stressed the agricultural sector, with industry in a supporting and complementing role. Support for industry includes modest tariff protection, low duties, tax allowances, and investment incentives. Although foreign

investment is welcomed, the Government has initiated industrial development in a number of cases through parastatals (see above).

Structural Adjustment Programmes were adopted in consultation with the World Bank and IMF to cope with the growing economic difficulties of the 1970s and early 1980s . The most important consequences of the Programmes for manufacturing are changes in the incentives system and organizational reforms a.o. privatization) in the parastatals. The growth of the sector's contribution to overall development, especially through exports, is recognized as a priority, and technical co-operation is actively sought.

UNIDO sponsors the Government's Small Enterprise Development Organization of Malawi (SEDOM); this has a.o. resulted in the establishment of a small enterprise estate at Blantyre.

Within the framework of SADCC, a number of manufacturing products were identified as having potential in the regional market. Little progress, however, seems to have been made in establishing a greater presence in these markets, increasing capacity utilization rates of existing industries, or in attracting investment to expand or establish such SADCC-oriented industries.

5. The scope for rehabilitation

The absence of exact data on capacity utilization, etc., make it difficult to arrive at a clear picture of rehabilitation needs and possibilities. More information would be needed here. It is, however, clear that in the textile sector ways would have to be found to reduce excess capacity in knitwear, blanket, towelling and net-making manufacturing. Expansion of exports is not very likely, neighbouring countries protecting their own textile industries. Nor is the domestic market likely to expand much in the near future, given the low income growth projections.

The World Bank has made funds available for a rehabilitation of the saw-milling industry modernization, reduction of excess capacity. A US$ 6.4 million loan has been made available for the purpose. This would involve closure of two uneconomic units, privatization and the improvement of log supplies, processing and technical management in the others. A successful implementation of the project should help to balance supply/demand for wood products by 1990. As part of the projects, improved plantation production and linkages with downstream industries are also studied.

The performance of the small-scale sector could be stimulated by improving linkages between large and small-scale enterprises, e.g. through subcontracting. At present, a technical assistance project is being prepared in a UNDP/UNIDO/UNCTAD industry and trade sector support framework to help revitalize the country's medium- and small-scale industry. Overall improvements of the small-scale sector, however, would to a large extent depend on rising income levels and hence on the success of overall development policies; increasing the pace of SADCC co-operation might also provide new market for certain SSIs.

6. Suggestions for UNIDO follow-up action

No particular follow-up action recommended.

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Within the framework of SADCC, a number of manufacturing products were identified as having potential in the regional market. Little progress, however, seems to have been made in establishing a greater presence in these markets, increasing capacity utilization rates of existing industries, or in attracting investment to expand or establish such SADCC-oriented industries.

5. The scope for rehabilitation

The absence of exact data on capacity utilization, etc., make it difficult to arrive at a clear picture of rehabilitation needs and possibilities. More information would be needed here. It is, however, clear that in the textile sector ways would have to be found to reduce excess capacity in knitwear, blanket, toweiling and netmaking manufacturing. Expansion of exports is not very likely, neighbouring countries protecting their own textile industries. Nor is the domestic market likely to expand much in the near future, given the low income growth projections.

The World Bank has made funds available for a rehabilitation of the saw-milling industry modernization, reduction of excess capacity. A US$ 6.4 million loan has been made available for the purpose. This would involve closure of two uneconomic units, privatization and the improvement of log supplies, processing and technical management in the others. A successful implementation of the project should help to balance supply/demand for wood products by 1990. As part of the projects, improved plantation production and linkages with downstream industries are also studied.

The performance of the small-scale sector could be stimulated by improving linkages between large and small-scale enterprises, e.g. through subcontracting. At present, a technical assistance project is being prepared in a UNDP/UNIDO/UNCTAD industry and trade sector support framework to help revitalize the country's medium- and small-scale industry. Overall improvements of the small-scale sector, however, would to a large extent depend on rising income levels and hence on the success of overall development policies; increasing the pace of SADCC co-operation might also provide new market for certain SSIs.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

MALI

1. General introduction

Mali's economic development has been seriously hindered by the country's location in Africa's desert/Sahel belt and its landlocked position. Although the country disposes of good mineral resources, including bauxite, manganese and iron, few of these have been exploited or ever properly explored so far. The country's <u>per capita</u> GDP was US$ 129 in 1984.

The great majority of the population works in agriculture, which accounted for 46 per cent of GDP in 1983; the services sector followed with 43 per cent. Only a small part of the economic activities takes place in the monetized sector; GDP and GDP share figures as well as many other economic data are therefore no more than rough approximations. Raw cotton and live animals are the country's main exports.

During the 1973-1982 period the economy registered an average annual growth rate of 4.3 per cent. Mainly as a consequence of drought, average growth has been below 1 per cent during the more recent years.

2. The manufacturing sector

The manufacturing sector's contribution to GDP has been estimated at 7 per cent in 1983. The figure was 12 per cent in 1978, and dropped to 6 per cent in 1979. The sharp drop mainly seems a consequence of drought-related decreases in agricultural production, affecting both the manufacturing sector's raw material base and - as a consequence of decreasing national income - the sector's domestic market. <u>Per capita</u> MVA was US$ 12 in 1984.

The most important industrial branch is textiles. It accounted for 44.4 per cent of turnover, 50.3 per cent of value added and 45.4 per cent of employment in 1981. Domestically produced raw cotton appears to be the industry's main input. Textile production is followed by food products. Food and beverages together accounted for 17.8 per cent of turnover, 15.7 per cent of value added and 5.1 per cent of employment in 1981. The tobacco industry comes third, with 7.8 per cent of turnover, 13.3 per cent of value added and 5.1 per cent of employment. Other industries are of minor importance; for many branches, no data are available.

Total employment in manufacturing was estimated at 13,435 in 1981. This excludes artisans, whose number may be close to 100,000. Only 10 industrial establishments employed more than 100 workers in 1982. The largest enterprise is COMATEX, a Government-owned textile factory with 2,650 employees. The Government owns or holds share in virtually all of the larger enterprises.

The manufacturing sector shows few signs of structural change. Over the 1975/76-1981/82 period, the major industries - textiles, food products, beverages - all saw their shares in MVA decrease slightly. Very small gains were witnessed in leather, wood and paper products. None of these are important industries as yet. Only the tobacco sector grew conspicuously, increasing its share by 17 per cent.

The share of manufactured exports in total exports was 5.4 per cent in 1982. Cotton products (fabrics, cottonseed cake) accounted for slightly more than one-half of this figure. Other exports include groundnut oil and hides. Manufactured imports were far more important, accounting for 80 per cent of total imports in 1982. Machinery and transport equipment accounted for 31.1 per cent of total imports in 1982. Petroleum products followed with 22.8 per cent.

In the absence of reliable data, little can be said about possible developments in the sector. Much will depend on stability and growth in agricultural production. The fact that food industries constitute over 50 per cent of the recent projects approved under the Investment Code would indicate continued confidence in this branch, although its growth rates have been negative since 1980. The tobacco industry (one single enterprise) is likely to continue growing. The light growth trend in the forest products industries (wood and paper products) must not be taken as a sign of strong future development, the industry's raw material base being limited. In the mineral products industry, some growth is discernable: phosphate exploitation and processing (at present at some 1,500 tonnes/year) is to be expanded. Gold and silver mining started in 1984; the mine is eventually to produce 1.6 tonnes of gold and 0.5 tonnes of silver yearly. No indication exists as yet of conspicuous future growth of other mineral-based industries. During the last few years, domestically produced plastic consumer goods, consumer chemicals (e.g. bleach) and metal products have begun to establish themselves in the market. Data on these industries are as yet too scarce to pass judgement on their future development.

3. Obstacles to production

As indicated above, much of the manufacturing sector's production depends on domestic agricultural exports. Also, the economy as a whole (and thus the domestic market for industrial products) is highly dependent on the state of the agricultural sector. Stable growth of agricultural production would thus be a precondition for manufacturing growth. Other obstacles include:

- the very low degree of monetization in the economy, reducing demand;
- shortages of technical and managerial skills;
- inflexible price-fixing systems for key products;
- deficient supply/marketing channels;
- uncompetitiveness of domestically produced products;
- insufficient consumer-orientation of public sector production;
- obsolete equipment and spare parts shortages.

4. Policies directed towards the manufacturing sector

No information was available on the present state of manufacturing development planning. Under the 1981-1985 Five Year Plan, private enterprise was given wider scope and special attention was given to medium- and small-scale enterprises. To help achieve this, project execution was decentralized. Stimulating medium and small-scale enterprise is seen as the best way to increase manufacturing employment. It is also felt that this policy focus will help to tap and develop the domestic entrepreneurial potential available in the small-scale and artisanal sector. A new Investment Code is to replace the 1976 Code; it is to provide more stimuli for private manufacturing. No details on the new Code were available yet. UNIDO is assing the Government to improve the policy environment for industry.

5. The scope for rehabilitation

Such information as is available shows that the country's major enterprises operate far below their capacity. COMATEX, e g., at present operates at 50 per cent of capacity; 20 per cent capacity utilization appears common in other units. A number of groundnut processing units have had to shut down. Technical and managerial problems play a role, but the main problem to be solved would seem to be low agricultural productivity, weak policy and programme formulation and execution, and low demand.

A US$ 65,000 UNIDO project for the rehabilitation of a karité-nut processing plant was launched in 1987. While stressing the need for an in-depth study of the technical and managerial characteristics of the plant, the project identifies supply and marketing as the main issues to be dealt with. With regard to the latter, creation of new products and outlets are recommended.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recomended.

MAURETANIA

1. General introduction

Mauretania's economy is largely based on three activities: nomadic herding, fisheries and iron ore mining. Nomadic herding, although the major activity of the population, has been badly hit by continuing drought over the past decade. Iron ore mining is confronted with low world market prices, and has also suffered the consequences of war in the Western Sahara. Per capita GDP decreased from US$ 536 in 1975 to US$ 475 in 1984.

Future economic growth would in part depend on the fisheries sector, which has expanded strongly during the present decade. Much of the country's fish resources have been exploited by foreign vessels in the past, reducing the contribution of the sector to the national economy. In recent years, stricter licensing and increasing Mauretanian shares in joint ventures have increased the industry's contribution. On-shore fish processing is still in its early stages however.

2 The manufacturing sector

The contribution of the manufacturing sector to GDP has in recent years been estimated as ranging from 3-8 per cent of GDP; its share in the labour force has been estimated at 2 per cent (1980).

The most important branch is food processing, which accounted for more than 70 per cent of MVA in 1980. Major activities mentioned in one source are bakeries and butchering. In other words, actual manufacturing operations are of marginal importance. There is a great potential for on-shore fish processing, but so far most processing takes place on foreign factory ships under Mauretanian license; the contribution to domestic industrial development is thus minimal. The remaining industries that are of some importance are chemicals, iron ore concentration and a small metal products factory. Only eight plants employed more than 50 workers. Much of the production takes place in cottage-scale enterprises.

Although it is not clear that an adequate study of the country's natural resource base with a view to future industrial development has been made, the industry which at present shows most promise for the future is fisheries. Most of the efforts to retain a larger part of the earnings made in the industry in Mauretania have so far gone into increasing the efficiency of licensing, increasing the Mauretanian share in existing foreign operations and expanding the activities of domestic fishermen. It is estimated that potential domestic artisanal production is 40,000 tonnes/year, and total potential domestic demand 15,000 tonnes/year. At present, only 2,000 tonnes/year is provided by domestic fishermen. Increasing cold storage and fish processing capacity is one major aim of the Government.

The country's only significant manufactured exports are iron ore concentrates and fish products. All equipment and most of the manufacturing sector's inputs are imported.

3. Obstacles to production

In spite of the limited data availability on the sector, the obstacles to its further development have been reasonably well documented by multilateral organizations involved in various development programmes. Of the overall problems, the small size of the domestic market, serious infrastructural shortcomings, the shortage of capable managers, technicians and skilled workers and the absence of a diversified raw material base must be mentioned. In the public sector (which, in the case of manufacturing, seems restricted to an iron ore concentration plant), management problems appear to have been compounded by other inefficiencies in plant operations; also, installed capacity has not always been chosen on the basis of properly executed feasibility studies. The artisanal sector suffers from marketing problems, production technology inadequacies and - in some case - raw material shortage.

In the formal sector, some potential for exports to the region is also thought to exist in individual cereal products, man-made fibre textiles, plastics and building materials enterprises. The latter industry disposes of a domestic raw material not found elsewhere in West Africa: gypsum.

4. Policies directed towards the manufacturing sector

The Ministry of Industry and Mining is responsible for the formulation and execution of industrial development policies and measures. The available information does not permit the establishment of a systematic overview of these; it is not even obvious that systematic overall policy formulation takes place for the sector.

The 1985-1988 Economic and Financial Recovery Programme, drawn up after the failure of the 1981-85 Plan (a result of the economic difficulties from the early 1980s onwards), foresees only a limited role for the manufacturing sector. Some 3 per cent of the US$ 162 million budget is devoted to industry. One major aim is to improve linkages between the economic sectors; specifically, improved linkages between the agricultural sector and processing industries are mentioned. As mentioned above, fish processing is also to be strengthened during the coming years; the relationship between the measures to stimulate fish processing and the Recovery Programme, however, is not clear.

To encourage private investment, the Investment Code is to be revised to further stimulate private investment, especially investment with a strong export-oriented and employment-creation component. Protection is to be reduced to force industries to become more competitive; at the same time, industry's access to imported inputs is to be improved. Price fixing, which already appears to have been abolished for most products during recent years, will no longer be applied to industrial production.

In support of the private-enterprise orientation of the Recovery Programme, a UNDP/UNIDO project is to be implemented which is to reinforce domestic institutional support to the manufacturing industry (information, investment promotion, etc.) and to reinforce consultancy services to individual enterprises.

5. The scope for rehabilitation

Under the Recovery Programme, the public enterprise Société Nationale Industrielle et Minière is being rehabilitated with a US$ 20 million World Bank loan. This presumably includes ore concentration facilities. As the international market remains depressed, cutting costs to arrive at a more competitive price for Mauretanian ore is essential. One measure in this connection has been the laying-off of 25 per cent of the enterprise's work force. No information on other measures was available. The industry's long-term viability remains uncertain in the face of the world market situation; the domestic resource base would not constitute a serious obstacle, although costly ore enrichment facilities would have to be completed to make use of lower-grade ores which mainly constitute the raw material reserves.

UNIDO is at present discussing the execution of a pre-feasibility study for the rehabilitation of the country's only sugar refinery with the Mauretanian authorities. This study would focus on the economic viability of continued operations of the mill. Apart from operational problems, the mill has also suffered from a decreasing market for its products.

To the extent that information is available, the problems of other enterprises in the large-scale sector seem mainly due to competition from legal and illegal imports. In some cases, lower prices of imported inputs would make these enterprises' products more competitive; however, import liberalization as foreseen at present may well prove that some of these firms are not economically viable.

In the small-scale/artisanal sector, ILO is pursuing projects to organize the metal-working, leather and camel-hair carpet industries. The latter's main problem is the very rudimentary production technique. There being a certain tourist market for the product, a permanent production facility for a group is to be set up where better equipment is to be available, and some training (production, design) is to be given. Reinforcement of metal working is to be sought in the artisanal jewellery-making industry. No progress would appear to have been made in the leather (tanning) industry, in the absence of suitable experts. Details on the costs of the projects were not available.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

MAURITIUS

1. **General introduction**

Mauritius is among Africa's highest income countries, with a 1985 <u>per capita</u> GDP of approximately US$ 1,100. The economy is dominated by the services sector, which accounted for approximately 40 per cent of GDP in 1986; much of the income in the sector is tourism-generated. The agricultural sector accounted for some 12 per cent of GDP in 1986, with sugar as the main crop. Real GDP growth in the 1982-1986 period averaged 4.6 per cent annually. The country has in recent years intensified economic ties with South Africa (tourism, trade, investment). It is not clear, from the available material, to what extent the volatile political situation in Southern Africa could influence future economic development on the island.

2. The manufacturing sector

With close to 20 per cent of GDP in 1986, the manufacturing sector is the second most important GDP contributor. In recent years, its growth was appreciably faster than that of the economy as a whole: the 1982 GDP share of the sector was 15 per cent. The 1986 real growth figure for the sector as a whole has been estimated at 12 per cent. <u>Per capita</u> MVA grew from US$ 154 in 1980 to US$ 181 in 1984. Total manufacturing employment was 57,600 in 1985.

The sector is dominated by food products, but its share has decreased since the mid-1970s. In 1975, the branch accounted for 71.8 per cent of gross output, 56.7 per cent of MVA and 33.4 per cent of employment; the 1985 figures were 50.5 per cent, 29.8 per cent and 21.1 per cent respectively. Sugar is by far the most important product; in recent years, fish processing has gained in importance.

The most rapidly growing branch is wearing apparel. Its productive activities are concentrated in the Mauritius Export Processing Zone (EPZ). Wearing apparel accounted for 6.3 per cent of output, 10.6 per cent of MVA and 25.2 per cent of employment in 1975. The 1985 shares were 16.7 per cent, 25.4 per cent and 47.3 per cent. The EPZ employed 54,000 persons in 1985, according to one source; according to UNIDO data, total employment in the wearing apparel branch as a whole was only half that figure. In spite of the discrepancy, it is safe to say that the EPZ is the country's major employer. Apart from food and textile products, there are no significant industries in the country.

Large-scale establishments including one fertilizer plant) are mainly found in the sugar industry. The EPZ firms employ 150-200 persons on average. There appears to be no Government ownership in industry; firms in the EPZ are foreign-owned.

Manufactured exports mainly consist of sugar and textiles. Sugar exports have decreased in recent years: the 1982 figure was US$ 300 million, the 1985 figure US$ 250 million. The volume exported has fluctuated between 500,000 and 600,000 tonnes in recent years. EPZ exports have grown much faster: in 1982, EPZ exports amounted to US$ 140 million, in 1985 the figure was

US$ 270 million. In contrast to sugar exports, however, the net earnings from EPZ exports are rather small, as virtually all inputs are imported: net EPZ export earnings were Rs 753 million in 1985. These EPZ imports also constitute the major manufacturing imports category, accounting for 20 per cent in 1985. Other important manufactured imports are machinery and equipment, petroleum products, and chemicals - the latter category mainly consists of fertilizer and fertilizer components for the sugar cane industry.

It is likely that the present trends in manufacturing - growth of the EPZ/textiles sector, decrease of the food products industry's shares - will continue. Within the food products industry, pesticides are likely to play a more important role. Fish processing is still a minor industry, but the expansion of capacity for deep sea fishing is expected to strongly increase the volume of landed catch. Agricultural processing could to an extent diversify away from sugar milling if the Government's present programmes of agricultural diversification are successful.

3. Obstacles to production

At present, both the sugar industries and the textiles/EPZ sector face quota in overseas markets. In view of its limited domestic market, the country will remain dependent on exports. EPZ textile production has the disadvantage of generating very few spin-offs that would benefit domestic industry. The EPZ's extreme reliance on textiles makes the sector very vulnerable for world market fluctuation. The sugar industry suffers from declining cane production and plant obsolescence.

4. Policies directed towards the manufacturing sector

No information was available on manufacturing policies or plans, but it is clear that the Government does not rely solely on EPZ production as a source of future industrial growth. With European Investment Bank assistance, a small-scale enterprise project is to be launched. It will include industrial establishments. To stimulate the sugar industry, an Action Plan for the industry, was submitted by the Sugar Authority in 1985. The major components are: factory rationalization, raising productivity of small cane planters, increased production of bagasse-based energy and research and diversification efforts.

5. The scope for rehabilitation

The available literature does not indicate any need for reorganization in the sector apart from the sugar industry. The Action Plan for the sugar industry was used by the World Bank and the Mauritian Government to formulate a Bank-assisted Sugar Action programme in 1986. Factory rationalization and rehabilitation is an integral part of a range of measures to be implemented to strengthen the industries. The total amount available under the Programme is US$ 30 million, plant modernization and reorganization will account for 80 per cent of this amount.

The rehabilitation programme will consist of several steps:

- A detailed analysis of the financial performance of the mills, and of the operation of present financial incentives/disincentives. Especially with regard to financial performance, uniform data enabling inter-factory comparisons are insufficiently available;

- A comprehensive study of pricing and taxation options for future operations and the development of an incentives framework to ensure adequate investment in the industry and to facilitate the concentration of milling capacity into fewer, more efficient units;

- Replacement of obsolete machinery;

- Research on new products and more efficient utilization of milling by-products such as bagasse;

- Improving the mills' contribution to bagasse-based energy generation.

The project would finance the foreign cost of a five-year programme, and would fund expansion of remaining milling capacity to cater for cane from the closed mills. Investments are considered relatively modest, partly because some capacity expansion is a by-product of rehabilitation and partly because equipment and machinery from the closed factory is used to expand capacity.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

MOROCCO

1. General introduction

Morocco is governed by King Hassan since 1961 and his position seems to be as strong as ever despite severe economic austerity and ongoing war. The conflict over Western Sahara is a drain on the economy and therefore a financial concern, but domestically it is not a politically controversial issue and therefore not a threat to the existing stability. The war marrs external relations, however, and the current trend in Maghreb relations works against Morocco, which would benefit greatly from increased trade with Algeria.

Morocco's economy has a critical agricultural sector, which in 1985 provided employment to 41 per cent of the labour force of 5.7 mn people. Agricultural contribution to GDP was much smaller with 18.4 per cent. There is also a large service sector, employing 35 per cent of the labour force, and dominated by commerce. The mining industry, with phosphates as the cornerstone, contributed 8.6 per cent to GDP in 1985. Morocco has its most important economic links with the USA and EEC, particularly France and Spain. The entry of Spain and Portugal to the EC is directly affecting the export potential of Morocco, but fairly favourable export quotas have been received in exchange for spanish access to the rich fishing waters off Morocco's Atlantic coast. Morocco receives bilateral aid from France, the USA and others and receives substantial assistance from the World Bank, the IMF and other international agencies involved in development cooperation.

In 1984 GDP per capita was $917, which can be compared to the average of $948 for developing countries in total. Due to the dependence on agriculture, the wether conditions have a large impact on Morocco's GDP growth rates. As a result growth fluctuates a great deal, but the average annual GDP per capita rate of real growth for the 1970s was 3.1 per cent. Reflecting a combination of adverse circumstances such as prolonged drought 1981-84, depressed world prices for phosphates and debt repayment problems, the rate of growth in real GDP oscillated between -1.3 per cent in 1981 and 4.3 per cent in 1985. The downturn is also reflected in the figures for per capita GDP average annual rate of growth for the period 1981-84, which fell to 1.1 per cent.

Phosphates have traditionally been Morocco's leading export commodity (although tourism and worker remittances generate as much foreign exchange), followed by agricultural produce, particularly citrus fruits. However, Morocco has become increasingly dependent on food imports. In addition, energy has always been a problem, since Morocco lacks own energy resources of any significance. As so many other developing countries, Morocco borrowed heavily during the 1970s. The strategy for growth broadly was to expand public investment, finance the expansion with the then favourable export revenues and - on the basis of anticipated continued high export prices and cheap loan capital - borrow to meet the increased energy costs.

The foreign debt increased sharply in the late 1970s, and the debt service ratio passed 20 per cent in 1978 and 45 per cent by 1982. In 1983 a period of repeated reschedulings with both public and private creditors was initiated. Morocco has since then, with support from and in close cooperation with the IMF and the World Bank, tackled the structural problems of its economy. The strategy has shifted towards one of export led growth, major efforts to curb public overspending have been made and the government is actively encouraging private sector industry and commerce and introducing more liberal trade and exchange rate regimes. According to most observers the results have been encouraging, partly helped by good harvests and, due to the oil price fall and dollar depreciation, from improved terms of trade. The IMF reports growth rates for real GDP in 1985 and 1986 of 4.4 and 5.8 per cent respectively and a current account deficit of 2.5 per cent for 1986 - down from 11 per cent in 1984. However, debt remains high - total debt still exceeds GDP (110 per cent in 1987), and the debt service ratio before debt relief was 62 per cent and 32.2 per cent after debt relief in 1986, according to the IMF. Barring adverse shifts in the international environment, however, Morocco's prospects for sustained recovery seem relatively favourable.

2. The manufacturing sector

Manufacturing accounted for 16.7 per cent of GDP in 1984, which is relatively little given the long history of manufacturing in Morocco and given the relatively high degree of diversification. The share of GDP has not changed more than very marginally since 1970, when it stood at 16.6 per cent.

The principal manufacturing activity is transforming phosphate into phosphoric acid and fertilisers, which also recorded the highest rate of growth in value added during the period 1975-85 with 10.4 per cent. The chemical industry is centred at Safi, where Maroc Chimie's first plant was opened in 1965. The Safi complex nowadays has a capacity of 1.8 mn tons of phosphoric acid and close to 0.8 mn tons triple superphosphate. The total production of phosphoric acid was 1.42 tons in 1984, up 15 per cent compared to 1983. In 1985 output fell to 1.25 mn tons, but future expansions, financed with French aid, have been decided. The phosphate industry is run by OCP and 1985 30,118 persons were employed in metropolitan Morocco and a further 2,511 persons at the Western Sahara centre of Bou Craa.

In terms of ISIC branches reported in UNIDO data, the largest branch in Morocco's manufacturing sector is food products, accounting for 19.3 per cent of MVA in 1985. The share in MVA 1976 was 21 per cent, and employment growth outstripped growth of value added for the period 1975-86, resulting in a negative growth rate of value added per employee of the order 1.7 per cent. According to UNIDO data total employment in 1985 was 40768 persons in the food products sector, while, according to the EIU, food processing employed some 70,000 people in 1981 and accounted for 40 per cent of total industrial value in Morocco that year. Despite these divergences in data, it is beyond doubt that the food processing industry is a vital part of manufacturing activity in Morocco, producing both for exports (canned fruits and fish) and for domestic consumption (flour, vegetable oils, etc). A large quantity of grain is converted to flour locally, but imported wheat is processed at a number of mills. There are currently 13 sugar beet factories with an annual processing capacity well in excess of 400,000 tons of raw sugar, as well as three cane works, and annual production capacity for raw sugar is 534,000 tons, sufficient to meet 90 per cent of local demand. In recent years production has been falling; from 405,867 tons in 1984 to 362,116 tons in 1985. As a result imports of sugar has risen and was 1984 283,200 tons. Total refining amounted in 1985 to 650,261 tons, down 3 per cent from the previous year.

Fish processing and fruit and vegetable processing have recorded slack growth rates in recent years, contrary to expectations, which were optimistic based on the fact that manufacturers may now market directly , rather than through the Office de Commercialisation et d'Exportation.

The textile industry employs over a quarter of the industrial workforce. In the mid-60's it suffered from overstocking, but in the 1970s turnover grew at an annual average rate of 10 per cent a year, and by 1981 the clothing sector employed 55,000 people. Quotas imposed 1977 by the EEC undermined future growth prospects for Morocco's textile and clothing industry, but it is now anticipated that manufactured goods will have free access to the EEC. The textile industry will then be at the forefront in Morocco's quest for export led growth (in 1985 textile exports rose by 30 per cent).

Engineering industry consists mainly of auto assembly plants. A limited range of components are produced locally, including tyres, radiators, batteries, filters, fuel tanks, gaskets and some electrical parts. Railway goods wagons and mineral and tanker wagons have for many years been assembled by SCIF in Casablanca. Most parts, except specialised items like ball bearings, are made locally. Other industries which have expanded rapidly since independence are cement, building materials, ceramics and paper. While local production of cement covers local demand, all iron and steel as well as most other metals except lead products must be imported.

3. Obstacles to production

The major obstacle facing Morocco's manufacturing industry is the shortage of foreign exchange. It hampers not only the importation of raw material, spare parts and other necessary inputs to domestic industry, but constrains also the scope for new investments as well as the revamping of existing production units and production methods. Behind the shortage of foreign exchange are many factors, some of which are external, such as the low export prices of phosphates and importation quotas in the EC countries.

4. Policies directed towards the manufacturing sector

During the 1970s Morocco expanded its economy through loan financed public investment programmes. Since then the strategy has shifted towards export led growth, coupled with severe restraints on public expenditures - especially investments. Instead private investments are encouraged via liberal investments codes and liberal trade and exchange rate policies. There are some positive results of the switch in policies, noted in the figures for growth in the last years, for example, textiles export increased by 30 per cent in 1985.

5. The scope for rehabilitation

Morocco has a small, but diversified and, perhaps most importantly, an old and export oriented manufacturing sector. The political sitation is relatively stable and the economic outlook points towards an improvement, both in terms of policies conducive to successful rehabiliation and in terms of macroeconcmic recovery. Although the present situation is characterized by austerity and foreign excange shortages, the conclusion must be that Morocco, in the African perspective, displays considerable scope for rehabilitation, even on a significant scale.

UNIDO presently operates six projects in Morocco (see appendix), but none is directly concerned with rehabilitation.

6. Recommendation for UNIDO follow-up action

The need for industrial rehabilitation will be evident in many branches of Morocco's manufacturing sector. Since no specific mentioning of it is made in the material covered for this report, (i.e. primarily the EIU Country Profile report for 1987-88), it is difficult to assess which particular branches would show the best scope. With certainty there is considerable scope within the textile industries, depressed by trade restrictions as it has been for the past decade, and likewise within many food processing industries, some of which are old and in addition are vital components in the prevailing policy climate of export promotion.

Given the favourable scope for rehabilitation in Morocco, it is recommended Morocco is put in the group of countries which will be investigated further.

MOZAMBIQUE

1. General introduction

Mozambique is one of Africa's poorest countries. Per capita GDP decreased from US$ 253 in 1975 to US$ 164 in 1984. The country's economic development level was very low at the time of independence in 1975. Since then, the situation has become even worse as a result of South African destabilization and droughts.

The services sector is the largest contributor to GDP, with a 1984 share of 42.2 per cent. Charges for transit trade from a.o. Zimbabwe provides the country with most of its foreign exchange. The great majority of the population however works in agriculture, which accounted for 38.7 per cent of GDP in 1984. The country's agricultural, fisheries, forestry, mineral and energy resources are underexploited; in fact, no systematic stock-taking of the country's resources has taken place, forest resources excepted. In recent years, prawns (unprocessed) have become the country's major export.

2. The manufacturing sector

The manufacturing share in GDP has fluctuated around 8 per cent since independence. The 1984 figure was 7.4 per cent. Per capita GDP decreased from US$ 29 in 1975 to US$ 12 in 1984. Data on the sector are scarce, and the reliability of the available data is unclear.

The most important branch in the modern sector in 1980 was food products and beverages, accounting for 41.2 per cent of MVA. Textiles and wearing apparel followed with 12.8 per cent. Tobacco (6.6 per cent), chemicals (6.9 per cent) and machinery and transport equipment (5.2 per cent) were the remaining industries of some significance. Data on employment, branch-level output and cottage industries were not available. Virtually no structural change can be discerned in the available data. Production data for individual industries shows that whereas there was slow growth during the 1975-1981 period (approximately 1 per cent on average for the whole period), output decreased in all cases after 1981. Cement production, e.g., dropped from 261,000 tonnes to 76,000 tonnes in 1985; textile production decreased from 17.9 million sq.m. to 9.0 milion sq.m.

Government ownership has become increasingly important after independence. In 1982, the Government owned or partly controlled 73 out of the 100 most important industrial enterprises.

Few data are available on trade in manufactures. Sugar accounted for 9 per cent of total exports in 1985. The only remaining significant manufactured exports are petroleum products. Its share in exports could not be ascertained, but it would be smaller than that of sugar.

The absence of sufficient data on the sector and on the country's resources, and the continuing state of war in the region make it very difficult to assess future trends in manufacturing. In recent years, a number of enterprises have been established with foreign assistance. Most of those belong to the textiles and engineering

industries. No information of their impact on industrial development is available yet.

3. Obstacles to production

The major obstacles to industrial development are the same as those to overall development: war, low levels of initial development and a domestic resource base that has not been systematically explored yet. The low level of development at the time of independence is still felt in a.o. the rudimentary transport system and the serious shortage of skilled workers, technicians, managers, and industrial planners. The domestic market is very limited due to low incomes and marketing problems. Shipping of exports has been seriously affected by war. Inappropriate agricultural policies have further reduced the low productivity of the agricultural sector, and hence the raw material position of many industries.

4. Policies directed towards the manufacturing sector

Very little information was available on Government policies for the sector. The Ministry of Industry and Energy is responsible for industrial policies and projects. The Ten-Year Plan (1981-1990) laid great stress on capital-intensive projects in the chemicals, heavy engineering, iron and steel and fertilizer industries. It is not clear to which extent these projects were realized, but the Plan was recognized to be a failure after some years and a concentration on smaller-scale industries using local resources is noticeable from 1983 onwards.

The acute economic crisis led to the launching of the Economic Recovery Programme (ERP) in 1987 after discussion with the IMF. While stressing agriculture, ERP also expects industry to grow by 12 per cent annually up to 1990. A large part of the growth is to result from expanding domestic demand, through stimuli for the agricultural sector and improvements in the marketing/transport infrastructure. To support future policy-making, a major study of the industrial sector is to be carried out by UNIDO. It will survey existing industrial capacity and recommend future strategies. The study will be sponsored by UNDP World Bank

In January 1988, a new Investor's Guide for Mozambique was being finalized with UNIDO assistance. Incorporating recent amendments in foreign investment legislation and information on ERP, the guide identifies investment opportunities and rehabilitation projects, and provides a number of project profiles. The final text was not yet available when the present document was being drafted.

5 The scope for rehabilitation

The catastrophic state of the manufacturing sector can be deduced from the past that capacity utilization in major industries was between 10 and 40 per cent in 1983; since then, the figure must have become considerably lower.

An assessment of the full scope for rehabilitation would depend on several factors: a return to peace, the availability of better information on the sector (foreseen in the WB/UNDP/UNIDO project), and the success of policies for the agricultural sector. The functioning of many enterprises will also depend on improvements in physical infrastructure.

Meanwhile, a number of rehabilitation projects have already been initiated. Details were only available on rehabilitation projects with UNIDO involvement. These include a bakery pilot centre (US$ 716,292), improvements in production organization and financial management in garment co-operation (US$ 55,000), rehabilitation of foundry and metal workshops (US$ 25,100) and rehabilitation of yeast plants (file not available at the time of drafting).

The immediate objective of the bakery project was the establishment of a modern bakery to help alleviate the supply problems of a staple food. The plant is to serve as "the nucleus of the whole bakery rehabilitation programme". Although the bakery is now functioning successfully, there is no indication that it plays a role in a bakery rehabilitation programme, or that such a programme is under way.

The garment project's intention was to improve economic and financial management in the OMM Garment Co-operatives. It trained 40 managers from the 13 OMM production centres. The main problems identified were poor record keeping, wasteful and inadequate production methods and inefficient production planning and control. Through eight-week training courses, managers were made aware of these problems and taught skills to overcome them. The evaluation report considered the training period as being too short. This reduced the effective- ness of the training, although the additional skills acquired by the trainees were considered very useful. Moreover, a number of other essential problems of the co-operatives were not solved (such as raw material supply), which made it difficult to put the training into practice. Future action would have to involve:

- expansion of the programme;
- improving the overall management system of the co-operatives;
- technical support to co-operatives (improvements in machinery and production methods).

The metallurgy project, finally, aimed at improving product quality and production efficiency in the CIFEL enterprise, Mozambique's main producer of rolled steel and castings. Obsolescence and capacity under-utilization are its main problems.

Although it is recognized that the problems of the metallurgy sector require overall improvements in the economic environment before they can be fully solved, a number of steps was undertaken to enhance CIFEL's performance. Notable increases in production and profitability were achieved by reorganizing management, maintenance and production. Training also played a role and was extended to other enterprises. Modernization of plant, the establishment of a mini-steel plant to supply CIFEL and the securing of markets constitute the next step in the project.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

NAMIBIA

1. General introduction

The Namibian economy is dominated by mining. This sector accounted for 43.6 per cent of GDP in 1980 and 36.1 per cent of GDP in 1986. Per capita GDP was US$ 1,702 in 1984, down from US$ 1,972 in 1980. Stagnant world market prices for minerals would be the major reason for the decline.

As the country largely consists of desert, agriculture is not important. There is however considerably ocean fisheries potential. The services sector accounted for approximately 38 per cent of GDP in 1984. Namibia is politically and economically completely dependent on the Republic of South Africa.

2. The manufacturing sector

The manufacturing sector is small - its GDP share has fluctuated around 5 per cent since 1980. Data on the sector are very scarce.

The only significant industry on which data are available is food processing, which accounted for 64.6 per cent of MVA in 1980. Fish processing is an important activity in the branch, but no details on the activity were available. Apparently, no processing of mining products (mainly diamonds and uranium) takes place in the country. Minor industries include the manufacture of mining equipment, other metal goods, construction materials and assembly operations.

No information was available on employment, manufactured exports and imports. It is to be assumed that most enterprises are South African owned. On the basis of the available information, no review of trends in manufacturing can be made.

3. Obstacles to production

The very small size of the domestic market and South Africa's dominance are the reason that few attempts have been made to develop manufacturing, although a good mineral and fisheries raw material basis is available.

4. Policies directed towards the manufacturing sector

A draft national development strategy, drawn up by a joint Government/private sector committee, was submitted to the interim Government in September 1985. This sets out development objectives in very broad terms, with no specific growth or sectoral targets, and emphasises that the retention of a free market economy and the private sector should be the basis for economic growth and increasing employment opportunities. No details were available on the role of manufacturing in the strategy.

Government involvement is limited to the operations of the First National Development Corporation (FNDC). It was set up in 1978 in a merger of existing development corporations operating in the "homelands" to act as a partner of the private sector in new projects. Although a statutory body, it does not provide regular accounts or details of its activities. Its operations have

attracted criticism in recent years for focusing too much on capital intensive projects (which have apparently not always functioned) rather than on small agricultural and industrial projects.

5/6. The score for rehabilitation/recommendations for UNIDO follow-up action

No particular follow-up action recommended.

NIGER

1. General introduction

With a 1985 per capita income of US$ 240, Niger is among Africa's least developed countries. Both the country's landlocked position and its location in the Sahara/Sahel zones are serious obstacles to development.

The most important economic activity is agriculture, which employs over 90 per cent of the population and had a GDP share of 41.6 per cent in 1986. The services sector accounted for 35.2 per cent of GDP in 1984. The country's economic performance is highly dependent on uranium exports. Uranium accounts for 80-90 per cent of the country's export earnings. Decreasing uranium export earnings and drought have caused a GDP decline during the first half of the 1980s. Since 1985, GDP is growing again, mainly as a result of improving agricultural production.

2. The manufacturing sector

Various estimates exist of the manufacturing sector's contribution to GDP. The share is estimated to be 1.5-4.0 per cent. The modern sector employed some 3,700 persons in 1985. Seven enterprises accounted for more than 50 per cent of the total in modern manufacturing, and for 75 per cent of MVA. Artisanal production is thought to employ approximately 35,000 persons. Per capita MVA was US$ 14 in 1984.

The most important industrial branches in the modern sector are textiles and wearing apparel. In 1982, the branch accounted for 42.1 per cent of gross output, 31.6 per cent of MVA and 30.6 per cent of employment. Beverages followed with 18.9 per cent of gross output, 29.0 per cent of MVA, and 15.2 per cent of employment. Most of the branch's share is contributed by a single brewery. Chemicals is the most important remaining branch. Its production is largely consumer-oriented (batteries, soap, perfumes).

Up-to-date information on the sector being scarce, an analysis of structural change in recent years is difficult. Shift in branch shares may moreover be due to non-structural reasons, such as the temporary closure of one of the larger plants. The strong decrease of the share of the food products branch, e.g., which was no longer among the major industries in the early 1980s, is mainly due to years of consecutive drought which affected the availability of inputs. Its share is likely to have increased again after good harvests in 1985 and 1986.

Absence of information also makes it difficult to assess future trends. At present, the prospects seem brightest for the textile industry. Two individual industries, milk products and tanning, did well in the early 1980s, but recent data are unavailable. Plans have been announced to expand milk products manufacturing. Government spending on industry during 1986-1990 should lead to a strengthening of small-scale versus large-scale manufacturing, but lack of information again makes it impossible to determine which small-scale industries are to benefit most, and what the long-term prospects are.

The Government owns or holds shares in 21 out of the country's largest manufacturing enterprises, and thus is a major factor in industrial development. The most important of these are found in the food products, beverages, textiles and printing industries. Under a structural adjustment programme, an unidentified number of these is being privatized.

Niger does not export manufactures on a significant scale, according to the available data (which do not go beyond 1981). The country imports petroleum products, building materials, machinery and road vehicles and the full range of consumer goods.

3. Obstacles to production

Niger's unfavourable location has been referred to above. Other obstacles to industrial development are the small size of the domestic market, the heavy competition of Nigerian imports on the domestic market, the strong fluctuation in overall economic performance (caused by droughts and changes in the world market for uranium), shortages of qualified labour and of qualified personnel in key agencies for industrial development. The latter has in the past contributed to the formulation of unrealistic policies and projects for the sector.

4. Policies directed towards the manufacturing sector

The Ministry of Commerce, Industry and Transport is directly responsible for industrial development and industrial policy formulation. The Ministry of Planning sets overall development objectives, and as it plays a key role in the present structural adjustment process (see below), it would seem to have influence on industrial policy and programme formulation as well.

Development policies for industry have in the past set unrealistic targets. Under the 1979-1983 Five-Year Plan, e.g. output and value added were to be tripled and quadrupled, respectively. In both cases, only a doubling was achieved in current prices, and in constant prices growth was only 27 per cent and 37 per cent, respectively. Only 10 per cent of the export target was achieved. The 1984-85 Intermediate Consolidation Programme was an attempt to improve on the Five-Year Plan's performance. It was to reconsider the Government's role in the economy and to introduce the application of improved management procedures and economic performance standards. Its results appear to have been marginal.

To address the country's severe economic problems, Niger has implemented the Structural Adjustment Programme in 1986-87. The World Bank has made available a total of US$ 60 million for this Programme. The overall goals were: better management in and restructuring of the public sector, increased domestic resource mobilization and strengthening of agriculture. The role of manufacturing in the Programme was rather limited. The following measures were formulated for the sector:

- intensification of links with agriculture;
- rehabilitation of a number of enterprises;
- relaxation of price controls;

- liberalization of imports of essential inputs;
- reappraisal of the tariff system;
- tax reductions;
- reduction of energy prices.

No details on the results of the programme were available at the time of writing. The revision of the investment Code (which is not specifically industry-oriented) as part of the Programme is expected to lead to a simplification of the rules and procedures for foreign investment. Foreign investors are also to be given greater freedom in conducting their business. On the other hand, the expected reduction of tariff and non-tariff barriers implies that investors focussing on the domestic market must expect to meet increased competition from imports. Special incentives are to be made available to small-scale, labour and domestic-resource intensive enterprices and enterprises located outside the main centre of manufacturing, Niamey.

A new Development Plan for the 1987-1991 period has been drafted in early 1987. After consultations with donor countries and organizations it was to be adopted by the Government later in the year. For the industrial sector, the following objectives have been formulated:

- improved technical and management training;
- improved information;
- liberalization of pricing policies and simplification of the tax structure;
- restructuring the system of import duties/protective tariffs;
- simplified administrative procedures;
- restructuring/privatization of Government enterprises;
- stronger integration with the national resource basis, and general stimulation of linkages;
- identification of potential future growth industries.

An important Government agency providing support to small- and medium-scale enterprise (a.o. for reorganizations) is the Office de Promotion de l'Entreprise Nigérienne (OPEN); OPEN receives World Bank and UNIDO support to help it overcome its financial and staff shortages.

5. The scope for rehabilitation

Under the Structural Adjustment Programme, a number of industries was rehabilitated. It is not known how these have been selected and which measures have been (or are to be) taken. A total amount of CFAF 476 million was to be spent on rehabilitation of three plants producing fruit products, paper products and matchsticks, respectively. A center for arts and crafts is also to be rehabilitated under this programme.

In the absence of sufficient information, it is impossible to say whether the programme covers all enterprises whose economic potential is sufficient and needing rehabilitation. Whether the scope for rehabilitation is wider would a.o. depend on better information on the present state of the economy (and of industry in particular) and on likely development trends.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

NIGERIA

1. General introduction

Since the 1970s, the Nigerian economy is highly dependent on oil earnings. Petroleum accounts for over 90 per cent of total exports. During the 1970s, quickly rising oil prices led to a rapid expansion of the economy. The collapse of the oil boom in the early 1980s, combined with economic mismanagement, caused a serious decline of economic performance. Per capita GDP decreased from US$ 1,147 in 1975 to US$ 856 in 1984, and has been estimated at approximately US$ 800 in 1986. By the mid-1980s, the country had contracted over US$ 25 billion in foreign debt. In spite of extensive rescheduling, this constitutes a serious burden on economic development.

Mining and quarrying is the key sector of the economy, although its 1985 GDP share (18.9 per cent) was smaller than that of services (36.3 per cent) and agriculture (26.0 per cent). During the oil boom years, the agricultural sector - once a major exporter - has been neglected to such an extent that Nigeria is now a large importer of agricultural products.

2. The manufacturing sector

Although the country disposes of a large and varied industrial sector, its contribution to GDP is limited. After rapid growth in the 1970s, when the GDP share rose from 2.9 (1975) to 5.5 per cent (1980), stagnation set in. The 1984 share was 5.2 per cent. Per capita MVA was US$ 45 in 1984, down from US$ 53 in 1980. The sector employed 326,000 workers in 1983. This would seem to exclude small-scale/artisanal production, on which little information was available. Some 125,000 medium- and small-scale industries were in existence in 1983. The major branches in 1983 were food and beverages, textiles, petroleum refining, chemicals, and metal products and machinery transport equipment. Their percentage shares were:

	Gross output	MVA	Employment
Food and beverages	22.3	26.1	18.2
Textiles	11.1	9.9	18.1
Petroleum refining	10.8	12.6	1.4
Chemicals	9.2	8.9	5.8
Metal products	6.4	5.5	9.1
Machinery/transport equipment	16.0	16.7	7.7

Structural change since the mid-1970s is concentrated in three industries: food and beverages, textiles and machinery. While the overall share of food and beverages has changed little, the share of beverages within the subsector has increased considerably. It now accounts for more than 50 per cent of MVA and some 40 per cent of output in the subsector. The textile industry, which was the second most important after food and beverages in the mid-1970s, now ranks fourth. Machinery has doubled its share in the sector's output since the mid-1970s and its share in MVA has increased by some 500 per cent.

Future developments in the sector will very much depend on the country's ability to overcome its present economic decline: over 40 per cent of the manufacturing labour force was laid off during 1985-86 and the contraction of manufacturing activities was expected to continue during 1987. A resumption of growth is dependent on stabilization of the overall economic situation and a successful implementation of structural readjustment programmes which a.o. stress a greater reliance on domestic raw materials. Petrochemicals, beverages and a selection of food products, machinery and textiles would appear to be industries with the clearest growth potential. The decline of the latter industry could be reversed if raw cotton production could be revived. There is a large, unsatisfied domestic demand for textile products.

Until the mid-1970s, most manufacturing enterprises were foreign-owned. Nigerianization policies and public sector investment have since resulted in a dominant position of domestic ownership. The public sector especially has expanded strongly: during the 1975-1980 period, investment in public manufacturing enterprises may have been twice as high as private investment. Under the Fourth (1981-1985) National Development Plan, 73 per cent of manufacturing investment was to be provided by the public sector, especially in large-scale projects. Under the 1986-1990 Structural Adjustment Programme (SAP), the role of the private sector is to be strengthened. This was to include privatization of parastatals. No details on privatization under SAP were available.

Nigeria's exports are wholly dominated by petroleum products. There is some export of assembled vehicles, palm oil and rubber, but no recent data were available on these. Considerable quantities of Nigerian manufactured goods are known to be exported to neighbouring countries, but no details on these exports were available. Nigerian industry is highly import-dependent. Intermediate goods and capital equipment are major import items. Machinery and transport equipment accounted for over 40 per cent of total imports in 1984.

3. Obstacles to production

The misguided efforts to stimulate industrial development in the 1970s have resulted in a number of projects whose completion was very costly, and which constituted a serious drain on the country's resources. These projects moreover often proved ill-suited to the needs of the country, and even under better circumstances their contribution to the economy would have been doubtful. Linkages among industries and between industries and other sectors of the economy were neglected.

As a consequence of the economic decline, the Government has had to introduce strict foreign exchange rationing; the devaluation of the naira has moreover made imports very expensive. The highly import-dependent sector thus faces severe supply problems. Nigeria's internal market, potentially one of Africa's largest, has shrunk because of the overall economic decline and of the austerity measures of recent years. The recession, finally, has also caused serious neglect of the transport and power infrastructure.

4. Policies directed towards the manufacturing sector

The Ministry of Commerce and Industry is responsible for policy formulation and execution. It is receiving UNIDO assistance in the formulation of new policies and programmes for the industrial sector.

Under the Fourth National Development Plan (1981-1985), rapid manufacturing growth was one of the three principal development priorities, after the expansion of agriculture and the strengthening of the economic infrastructure. The FNDP stressed rapid economic growth especially in the non-oil commodity-producing sectors and greater local private participation in the ownership and management of enterprises. With the coming on stream of several large-scale investments initiated under TNDP, real manufacturing growth was projected to average 15 per cent annually.

Although in its large-scale high-growth approach, the Fourth Plan resembles previous plans, it showed an appreciation of the larger role that would have to be played by domestic resource-based industries.

The continued decline of the economy prevented most of the objectives of the Fourth Plan to be realized. After discussions with IMF and World Bank, a Structural Adjustment Programme (SAP) was launched in 1986. Key elements in SAP (which is to be completed this year) are: devaluation of the naira, expansion of non-oil exports, liberalization of imports of finished goods, continued foreign exchange control for a.o. inputs needed for manufacturing, liberalization of investment and privatization. Few details are available on specific measures for the manufacturing industry. However, three policy guidelines are clear:

- rationalization of the sector through greater exposure to foreign competition, management improvements, the discontinuation of unprofitable product lines and production methods, and more efficient energy utilization;

- increased use of locally available raw materials, increased emphasis on repair and maintenance (implying increased domestic production of spare parts);

- development of new local-resource based industries with good links to other industries.

5. The scope for rehabilitation

Most of the manufacturing sector's capital stock was acquired during the 1970s. There is now not only a need for replacement but also for a re-structuring of production facilities to use locally available raw materials. As the foreign exchange available for such revitalization measures is very limited, there is obviously scope for external assistance. A 1985 World Bank report has calculated the overall cost of external support to the economy's rehabilitation at US$ 10.7-15.3 billion; the manufacturing sector's share would be substantial, but is not indicated.

Such technical measures should, however, be set in a framework which includes increasing the efficiency of management and production in those industries that are likely to be viable in the future. It is very difficult, at present, to answer the question of long-term viability, as a.o. the results of SAP are not yet known. There is as yet no indication that either the economy as a whole, or manufacturing in particular, is on the way to recovery: the continued reduction of overall plant utilization rates, from 40 per cent in 1984 to some 30 per cent in 1986, is a clear indication. Moreover, too little information was available at the plant level to identify individual industries that could benefit from support programmes even under the present unfavourable conditions.

One industry that would answer the present demand for more domestic resource-based industries is cement, as Nigeria disposes of large limestone deposits. UNIDO is involved in a US$ 4,780,578 project to rehabilitate and expand a cement plant in northern Nigeria. UNIDO's activities will involve:

- examination of production problems;
- improving the production system;
- introducing a preventive maintenance system;
- training programmes for plant personnel.

It is not clear from the available documentation whether more general issues, such as likely developments in the domestic (and regional) market and the state of the road and power infrastructure in the area - all of which can seriously affect the plant's future performance - have been taken into consideration.

6. Recommendations for UNIDO follow-up action

It would be necessary to study the details of the Structural Adjustment Programme, and the available information on its performance so far, before any specific industries can be selected whose viability is sufficiently guaranteed to make rehabilitation worthwhile.

Taking into account the reservation expressed above, the following groups of industry have displayed growth potential and would deserve closer scrutiny:

- agro-based industries;
- petrochemicals;
- industries producing essential inputs, spare parts and equipment for other economic activities.

RWANDA

1. General introduction

During the 1970s, the Rwanda economy experienced rapid growth. Since 1980, however, growth has slowed down, with *per capita* GDP stagnating around US$ 230. The slowdown is partly the result of lower coffee prices, coffee constitutes the country's major export. Additional problems are the high population densities on arable land (traditional agriculture is reaching its growth limits) and the country's landlocked position which greatly increases transport costs of imports and exports. The agricultural sector provided 45.5 per cent of GDP in 1984; services followed with approximately 30 per cent.

2. The manufacturing sector

The manufacturing sector accounted for 16-18 per cent of GDP in the mid-1980s; data on the sector show considerable discrepancies between sources. In spite of fast growth during the 1970s, the structure of the sector has undergone relatively little change. The small-scale artisanal sector employed more than two-thirds of the 40,000 strong manufacturing labour force, and generated some 60 per cent of MVA in the mid-1980s. *Per capita* MVA in 1984 was US$ 41, up from US$ 31 in 1975.

Food processing (including beverages and tobacco) is by far the most important industrial activity, accounting for 72.0 per cent of gross output and 77.3 per cent of MVA in 1984; its share in the sector is slowly decreasing. The major products are beverages, cigarettes and sugar. Recent growth industries are soap and corrugated iron. Their respective shares in gross output rose from 7.3 per cent (1977) to 12.9 per cent (1984) and from 3.1 per cent (1977) to 6.6 per cent (1984). Other industries do not contribute significantly to overall manufacturing output and MVA.

The promotion of small- and medium-scale industry would therefore seem the best way of increasing the manufacturing sector's contribution to GDP and to urgently needed non-agricultural employment. In the almost total absence of data it is, however, difficult to say which of the small-scale manufacturing activities are likely to be strong growers. With the increase of lake fishing, fish processing could come to play a modest role in the future. Also, centralized ore concentration/smelting of ore mined by small- and medium-scale enterprises would seem viable.

Rwanda exports few manufactures, over 90 per cent of all exports consist of agricultural products (coffee, tea and tin ore which only undergo some rudimentary processing. The country imports nearly all its industrial inputs and equipment. Implementation of a number of tariff reductions in principle agreed upon by the PTA would boost exports the region, as would a devaluation of the over-valued Rwandese franc. No significant expansion of overseas exports is likely.

3. Obstacles to production

Manufacturing is confronted with a variety of problems. The small size of the population, overwhelmingly employed outside the monetized economy, restricts the internal market. International trade faces the obstacle of long and costly transport along routes which are not in good condition and have often been unsafe. There is a shortage of skilled labour and technical-managerial personnel. In the late 1980s, Government intervention in the sector has fostered a number of industrial activities which are not economically efficient but heavily protected from competition. These were intended to substitute imports, but the enterprises have remained largely dependent on expensive imported inputs and equipment. In planning these enterprises, little attention appears to have been paid to domestic resource costs, proper accounting, scale economies and product quality. The above-mentioned problems have hit the large-scale sector more seriously than small-scale industry.

4. Policies directed towards the manufacturing sector

Overall responsibility for policy formulation and industry promotion lies with the Ministry of Mining, Industry and Artisanat. Policies and projects for industry - although not systematically elaborated - are formulated in the context of Five Year Plans; until the late 1970s, however, there was very little direct intervention in the sector.

Under the 1977-1982 Plan a number of public enterprises was established. Industry was to become a main factor in accelerated growth; in the absence of sufficiently motivated and capable private entrepreneurs, the Government took on the role of a catalyst of industrial development. The availability of bilateral aid for Government-owned projects was another factor. Most of the enterprises were large-scale, by Rwandan standards; their major problems have been outlined above. The problems were compounded by political intervention in enterprise management and the absence of project monetary mechanisms.

Otherwise, the environment for industry is relatively liberal, and foreign investment is eligible for a number of fiscal advantages. The various advantages are usually available only for fairly large projects (US$ 100,000 for domestic, US$ 200,000 for foreign investors), but a ministerial committee is studying the possibility of extending the benefits to smaller-scale operations as well, these being likely to be more efficient in the domestic context. A Special Guarantee Fund is available for small- scale enterprise, but only few firms have benefited from it so far; it is not clear to what extent the Fund caters specially for the manufacturing sector. To increase the effectiveness of the Funds eligibility criteria are now both to be clarified and simplified.

To improve the performance of a.o. the industrial sector, the Government has initiated a Programme de Relance in 1985. With World Bank Assistance, the industrial incentives system is to be overhauled and public sector enterprises are to be made more efficient. This will involve a gradual reduction of protection,

better monitoring of projects, greater management autonomy, improved planning of future investment and a complete reappraisal of the public-sector enterprises and their role in the economy.

5. The scope for rehabilitation

A major problem in assessing the need for rehabilitation is the shortage of reliable data at sectoral, branch and enterprise level. In order to improve the accounting procedures and budget information of public enterprises, the Centrale Comptable et Organisation (CCO) was established in 1984. It was, however, not given legal status, and it is uncertain whether this has now been acquired. Notwithstanding this, the CCO has made a number of in-depth studies and established budgets for a number of public sector enterprises. The Ministry of Finance and Economy, responsible for monitoring the Government's investment portfolio, does not appear to have done this in a systematic way, partly as a consequence of inadequate staffing.

Available data for public enterprises show that the milk processing plant may not be viable, as the market is too small; its product is moreover of irregular quality and competition from neighbouring countries is too strong. The sugar plant suffers from insufficient cane supplies and overstaffing. If both problems could be solved, there should be no problem of disposing the product on the domestic market: most sugar is at present imported. The pyrethrum plant suffers from technical problems and competition on the international market; in fact, product standards are not considered acceptable in overseas markets.

UNIDO is involved in a US$ 27,300 project to rehabilitate a small-scale ornamental stone quarry since 1985. The enterprise disposes both of a good resource base and market potential, but production methods and equipment need improvement. Measures envisaged are the acquisition of good quality second-hand machinery in Europe (to minimize investment needs), improving the range and quality of products and more active marketing.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

SAO TOME AND PRINCIPE

1. General introduction

The major sectors in the economy of Sao Tomé and Principe are agriculture and public administration, both accounting for close to 30 per cent of GDP. The available data do not specify which activities come under public administration. The large share is probably due to the inclusion of public enterprises which would usually be included under other economic sectors. Real GDP growth has been negative in recent years (-9.0 per cent in 1981-1984) as a consequence of declining cocoa production, the country's major product and the only significant export product. GDP decreased from US$ 545 in 1980 to US$ 524 in 1984.

Sao Tomé and Principe are to an extent dependent on Angola. Angola is the country's supplier of petroleum and maintains a considerable military presence on the islands.

2. The manufacturing sector

The manufacturing sector's share in industry has fluctuated between 4-5 per cent since 1970; its present contribution to GDP is 4.8 per cent. MVA <u>per capita</u> has decreased: the 1970 figure was US$ 29, the 1984 figure US$ 25. No details are available on manufacturing production or exports; such manufacturing as takes place would mainly seem related to basic-level food processing (bakeries, beverages, meat processing). Cocoa fermenting, drying and grading could be the most important manufacturing activity. Future industries might include fish processing, as the country disposes of large fish resources. These, however, are only beginning to be explored. UNIDO is assisting the country in the establishment of small-scale building materials industries. The country does not appear to export manufactures, apart from cocoa which has undergone rudimentary processing. Manufactured imports include energy products, road vehicles, machinery and consumer goods.

3. Obstacles to production

The low overall development levels, small population and shortage of skilled workers represent major obstacles to the development of the sector.

The deterioration of the road network prevents any significant manufacturing activity from being located outside the capital. Foreign exchange shortages have caused shortages of inputs and spare parts.

4. Policies directed towards the manufacturing sector

The Ministry of Commerce, Industry and Tourism is responsible for the sector. No information on manufacturing policies is available. Any existing significant industries would appear to be Government property. A recent general policy reform stresses decentralization, participation of private individuals in Government-owned enterprises and a stronger role for artisanal activities. This policy reform will presumably also touch industrial activities.

5. The scope for rehabilitation

Given the general state of the economy and the very modest size of the manufacturing sector, only limited possibilities for direct improvements in manufacturing operations would seem to exist. The World Bank, the United States Agency for International Development (USAID) and the Portuguese Instituto de Cooperaçao Económica (ICE) recently announced an increase in their support for the cocoa rehabilitation programme. USAID is providing a further $300,000 to bring its total up to $900,000, while the ICE is doubling its contribution to a total of $180,000. The programme is to last for three years. It is unknown to what extent this programme includes manufacturing activities. UNIDO will execute a US$ 5,650 project in Sao Tomé to assist the Government in formulating and executing an industrial rehabilitation policy; a more immediate concern of the project, however, is to provide training courses for a number of technicians and managers.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

SENEGAL

1. General introduction

Senegal is a Sahel country with a large, climatically vulnerable agricultural sector which is also a major foreign exchange earner. Exports consist of a very limited range of products. Senegal's economic performance is therefore strongly dependent on changes in world markets. The country's per capita income has been decreasing slowly but continuously over the past decade, population growth outstripping the growth of the economy. Per capita GNP was US$ 370 in 1985.

Although the services sector dominates the economy, with 52.3 per cent of GDP in 1985, the great majority of the population is engaged in subsistence agriculture. The share of the agricultural sector in GDP has decreased from 23.8 per cent in 1975 to 17.1 per cent in 1984.

By the end of the 1970s, the economy had become so unbalanced that a series of structural adjustment and recovery programmes had to be undertaken with multilateral assistance. The most recent programme is the 1985-1992 Medium- and Long-term Adjustment Programme.

2. The manufacturing sector

The manufacturing sector's contribution to GDP was 18.5 per cent in 1985, up from 15.3 per cent in 1980. Similarly, per capita MVA expanded from US$ 77 in 1980 to US$ 91 in 1984, but the increase is negligible when compared with the 1970 figure of US$ 88. Modern manufacturing employed 6,000 persons in 1985.

The most important branch in the sector is food products. It accounted for 42.1 per cent of gross output in 1985, 43.7 per cent of MVA, and 52.6 per cent of employment. Major industries within the branch are sugar and preserves, cereal products, fish and groundnut processing. If beverages and tobacco are added, the 1985 gross output, MVA and employment shares of the sector are 47.9, 54.0 and 60.2, respectively.

The food products branch is followed by textiles and wearing apparel with a 1985 share in gross output, MVA and employment of 12.4, 17.0 and 12.0 per cent, respectively. It is the only industry in the country in which all manufacturing stages (from cotton ginning to the production of garments) are represented. The most important remaining industries are metal products, petroleum refining and phosphate products. The latter two are single-firm industries; elsewhere in the sector, medium and small-sized enterprises are more common. The eight enterprises located in the Dakar EPZ, e.g., totalled 420 employees. Little information was available about the importance and characteristics of small-scale/artisanal production.

Industrial exports predominate in total exports: the 1984 share (energy products excluded) was 58 per cent, up from 51.3 per cent in 1980.

The major manufactured exports are:

- **groundnut products (oil, cakes), accounting for 22 per cent of all Senegalese exports in 1984;**
- processed fish;
- phosphate products.

Together, these accounted for 75 per cent of manufactured exports. The EPZ contributes only a fraction of total manufactured exports. With the exception of a number of agricultural and non-metallic mineral products, virtually all manufactured products have to be imported. Imports are dominated by petroleum products and equipment.

Structural change in the sector has been limited. The share of the food products branch in output and MVA has decreased somewhat since 1975 (its share in employment, however, increased from 42.2 to 52.6 per cent). The output share of textiles and wearing apparel also decreased slightly, but the MVA share went up. Light growth was recorded for the output shares of petroleum refining and industrial chemicals (phosphate products), but their MVA shares stagnated and declined, respectively. The only industry to register more or less consistent growth is metal products, but its contribution to the sector is still very modest.

In the food industries, an attempt is made to expand groundnut oil production. In fish processing, decreasing resources of tuna and stricter licensing of fish catching in Mauretanian waters (much of the catch was processed in Senegal) have worsened the supply position of the exporters of canned fish. Switching to other types of fish and to other fish products may, however, help to increase exports. The prospects for expanded phosphate-based production do not seem too bright.

Of the food industries mainly producing for the domestic market, cigarettes and milk products (based on imported milk powder) hold some growth potential. The same is true for some metal products and engineering industries (e.g. ship repairing) and - in the case of an overall domestic and regional economic upswing - for the building materials industry.

3. Obstacles to production

The stagnation in manufacturing production is due to a combination of factors:

- decreased agricultural production (mainly a consequence of climatological factors) affecting the raw material base of agro-based industries;
- exhaustion of the growth potential of the present domestic-resource based export industries and of import-substituting industries such as textiles;
- inefficiency, partly the consequence of high protection levels;
- a badly functioning technical, infrastructural and institutional environment.

4. Policies directed towards the manufacturing sector

Industrial policy-making and implementation comes under the Ministère du Développement Industriel et de l'Artisanat (MDIA). In the past, policies have mainly stressed import substitution and manufactured exports to the region. To stimulate industrial development, the Government also invested in large-scale projects in a.o., textiles, phosphate products, ship building and oil refining. With the assistance of UNIDO and other multinational agencies, five EPZs were set up during the 1970s. The only major one among these is the Dakar EPZ.

An extensive system of import restrictions and tariffs has protected domestic industry in the past. Misapplication of this system has led to a highly unfavourable market position vis-à-vis imports for precisely those industries that rely on domestic resources. Export subsidies have often served to promote the production of goods that are not internationally competitive.

Under the Adjustment Programme, a New Industrial Policy (NIP) has been launched in 1986. It has four objectives:

- reduced Government intervention;
- improved competitiveness;
- stimulation of export industries;
- both resource allocation;
- restructuring of production, with special attention for higher value-added products;
- strengthening industrial linkages and promoting industrial development in the more marginal areas.

In a first phase, import restrictions are gradually being reduced and a harmonization of remaining tariffs is being carried out. This would force the sector to become more competitive; on the other hand, access to a number of imported inputs is facilitated. A more selective system of export subsidies has been introduced, price fixing is to be abolished for a number of products, the Investment Code is to be simplified and the institutional infrastructure is to be strengthened. In 1989, the adjustment programme is expected to be completed, and a number of programmes reorienting the manufacturing sector is to be implemented during the 1989-1992 period.

5. The scope for rehabilitation

As part of the NIP, MDIA and the Ministry of Planning and Co-operation have made a short branch- and plant-level survey of the performance of Senegal's manufacturing industry. The most commonly used yardstick which is of interest in the present context is capacity utilization. A sample of 60 industries shows that the average level of utilization of installed capacity over the 1981-1985 period was 69 per cent; if the six largest companies are excluded, the percentage decreases to 59.

Labour productivity (variously calculated on the basis of MVA or output) was also on the decline in most industries; only the chemicals industry showed fairly consistent growth during the 1980s. Other issues, described in a fairly general way, are:

- plant obsolescence (textiles, chemicals)
- marketing problems (all branches)
- energy costs (textiles, leather, building materials)
- mediocre input quality (leather)
- poorly developed skills and techniques (building materials, leather)
- high prices of imported inputs (metal goods)
- high-priced products (metal goods).

Obviously, these are often interlocking problems, and the more general problems of the industrial environment (weaknesses of the institutional infrastructure, foreign competition, stagnating markets, stagnation of agricultural input production) must also be taken into account when a more detailed assessment of the actual rehabilitation needs and possibilities is made. In 1987, the World Bank was planning a US$ 40.5 million industrial sector restructuring project for the 1988-98 period. This involved technical assistance, investment, training and a special small industry component. Apart from manufacturing, this project would also include agricultural and transport-trade components. A key element in the project would be the reorganization of the incentives system. A French sugar industry rehabilitation project (size unknown) is now being undertaken.

6. Recommendations for UNIDO follow-up action

Suggestions for follow-up action would depend on the present status of the World Bank project. If this is to be implemented, there would seem little scope for UNIDO involvement.

Should the results of the Adjustment Programmes now be analyzed to determine whether the overall environment favours successful rehabilitation, a closer study could then be made of the industries mentioned in the NIP industrial performance survey and in the World Bank project:

- fish processing;
- oils and fats;
- pharmaceuticals;
- textiles and leather;
- paper and cardboard;
- construction materials,
- enamel goods;
- agricultural implements.

SEYCHELLES

1. General introduction

The Seychelles archipelago has one of Africa's highest per capita incomes. In 1984, per capita GDP was US$ 1,823, or almost thrice the African average. This is mainly due to the well developed tourism sector. The services sector accounted for 72.6 per cent of GDP in 1984, a figure that has remained almost stable since 1980. Agriculture and industry followed with approximately equal shares.

2. The manufacturing sector

Manufacturing accounted for 7.7 per cent of GDP in 1984; the sector has grown slowly but steadily since the early 1970s. Per capita MVA, however, has decreased during recent years: the 1980 figure was US$ 167, the 1984 figure US$ 141. The decrease may be due to the appreciation of the dollar vis-à-vis the domestic currency. Total manufacturing employment was 836 in 1985.

The food products branch dominates the sector, accounting for 71.6 per cent of total production, 79.3 per cent of total MVA and over 50 per cent of employment in 1985. These figures are little different from similar figures of the mid-1970s. Copra and canned fish are the major products of the branch, and also the country's most important exports, apart from petroleum re-exports. The other branches are only marginally represented, with printing and publishing the largest among them, accounting for 7.7 per cent of production and 6.0 per cent of MVA in 1985.

No information was available on enterprise size and ownership, with one exception: the country's recently established tuna canning factory. This factory is probably the largest in the country, employing some 250 persons. It is largely owned by the Government, with 30 per cent French participation.

Apart from petroleum products re-exports, the country has so far not exported manufactures in significant quantities. Manufactured imports largely consist of energy products, road vehicles and machinery and a range of consumer goods

The Seychelles manufacturing sector could grow considerably in the future if fish processing is successful and if petroleum exploration (now in progress) would lead to the establishment of domestic processing capacity. There might also be some scope for processing agricultural products for the hotels and restaurants catering for the tourist industry.

3. Obstacles to production

Both the small size of the population and the limited land resources restrict the choice of possible industries.

4. Policies directed towards the manufacturing sector

No policies appear to have been formulated for the manufacturing sector.

5/6. The scope for rehabilitation/recommendations for UNIDO follow-up action

No particular follow-up action recommended.

SIERRA LEONE

1. General overview

Whereas the country's economy experienced an annual GDP growth average of 1.9 per cent in the 1973-1983 period, Sierra Leone's GDP has been decreasing in recent years at an average rate of -2.9 per cent. Sierra Leone has been reclassified by the United Nations as a least developed country. Per capita GDP was US$ 340 in 1984. Lack of coherence and direction in the execution of development policies have worsened the impact of stagnating export earnings on the Sierra Leone economy.

Although the services sector is the largest contributor to the economy, with 56.5 per cent of GDP in 1984, the great majority of the population is engaged in agriculture which accounted for 28.5 per cent of GDP in 1984. The mining sector accounts for only approximately 7-8 per cent of GDP, but its products (diamonds, bauxite, rutile) dominate the country's exports.

2. The manufacturing sector

The share of the manufacturing sector in GDP was 6.7 per cent in 1984, down from 8.1 per cent in 1975. Employment in the sector has been estimated at 7.000 - 12,000 in the early 1980s; a probable explanation for the difference is the inclusion of small-scale industry (though probably not artisanal employment) in the latter figure. A rough estimate of small-scale industry puts its employment at 45,000 and its contribution to MVA at 55 per cent of total MVA. Per capita MVA has fluctuated around US$ 58 since 1980.

Branch-level data are incomplete. The food product industry, however, is the most important manufacturing branch. It accounted for 48.6 per cent of gross output, 65.3 per cent of MVA and 35.8 per cent of employment in 1986. It was followed by wood products and industrial chemicals. In 1986, wood products accounted for 6.4 per cent of gross output, 17.1 per cent of MVA and 17.6 per cent of employment; industrial chemicals accounted for 34.0 per cent of gross output, 4.3 per cent of MVA and 13.3 per cent of employment. In the latter industry, the low percentage of MVA in relation to its other shares may in part be due to the very high import content of production. Textiles and garments are only a minor industry according to UNIDO data. The country does, however, dispose of several large textile enterprises; textiles are also included among the country's major industries in a World Bank report, although no specific data on the subsector are given.

Public ownership plays a minor role in the sector as a whole. Large public sector enterprises, however, exist in petroleum refining, metal working, non-metallic minerals, wood products and palm oil production.

Establishing structural change trends is difficult as a consequence of the poor data base. UNIDO figures show a strong increase in the shares of gross output and value added for food products in the 1981-1986 period (the 1981 shares were 31.3 per cent and 50.6 per cent respectively), and strong decrease in industrial chemicals (which in 1981 still accounted for 52.4 per cent of gross output and 31.8 per cent of MVA). Growth in food products seems mainly due to good performance in the brewery industry. Wood products (except furniture) also did well: it roughly doubled its gross output and MVA shares in 1981-1986. In the absence of reliable data for preceding and intervening years, it is hard to say whether those figures actually indicate structural change.

Manufactured exports constitute about 25 per cent of the country's total exports. About 90 per cent of manufactured exports consist of iron ore concentrates. Manufactured imports dominate total imports and far exceed exports. Petroleum products accounted for approximately one-third of manufactured imports.

The available material does not allow the identification of development trends. The development of international markets for the country's major industrial export, iron ore concentrate, remains uncertain, and therefore the further development of the industry is uncertain. Generally speaking, the low performance of the large-scale units in the various industries (see below) indicates that - at least as far as the domestic market is concerned - medium- and small-scale industries may have the strongest development potential, irrespective of branches. Products that can be efficiently produced by relatively small units are therefore likely to play a more important role in the sector's future output.

3. Obstacles to production

The manufacturing sector is confronted with a wide range of obstacles to further development. Demand for the present product range is generally stagnant or decreasing in both the domestic and export markets. Low rural producer prices and transport problems have reduced the availability of agricultural inputs. Foreign exchange shortages result in shortages of imported inputs, new equipment and spare parts. Power breakdowns are frequent. There is a shortage of higher-grade technical personnel and managers. The institutional infrastructure (policy-making, finance and inter-industrial linkages) insufficiently developed. Public sector enterprises, finally, not only have to cope with these problems, but also with interference in management and inflexible price control systems.

4. Policies directed towards the manufacturing sector

Policy-making and implementation come under the Ministry of Trade and Industry. The 1983 Development of Industries Act provides the basic framework for present-day programmes for the sector. The Government's objectives for the sector are:

- initiation of accelerated growth;
- mobilization of domestic and foreign resources and technology;
- strengthening linkages;
- development of technical, entrepreneurial and management skills.

During the 1983/84-1985/86 investment plan, the development expenditures for the manufacturing sector were projected to be Le 21.6 million, of which 27 per cent (Le 5.8 million) was expected to come from domestic sources. The public sector projects to be implemented during the plan period can be divided into two categories:

- Ongoing projects, which include strengthening the Industrial Development Department and the National Bureau of Standards and Metrification.

- New projects, which include: (i) rehabilitation of the palm oil industries; (ii) rehabilitation of the National Workshop; (iii) industria feasibility studies; (iv) a small-scale industrial development programme; (v) rural industrial estates; and (vi) establishment of an investment/export promotion mechanism.

UNIDO has co-operated with the Sierra Leonian Government to strengthen the industrial development promotion and planning capacity; recently, a similar programme has been started for small-scale industries. As part of the above-mentioned Plan for the manufacturing sector, the range of incentives for private enterprise has been expanded, especially for enterprises located outside the capital of Freetown, where most industry is concentrated.

In the absence of sufficient interest on the part of private enterprise and to increase Government revenue, Government has in the past established public sector factories - see above. These have not succeeded in playing a catalytic role in the sector, in spite of their size and the considerable investments made.

5. The scope for rehabilitation

Establishing the scope for rehabilitation is difficult except in the case of the public sector industries and of a selection of larger-scale private industries. The World Bank has made a study on these in 1985.

A combination of various of the above-mentioned obstacles would seem to be the reason for the low performance of the industries. While the average capacity utilization rate was 63 per cent in 1979 in the public sector enterprises, it had decreased to 35 per cent in 1984. In the private sector, no clear pattern emerges with regard to utilization - it fluctuates among individual plants (e.g. in the chemical sector), and there are often very large fluctuations from year to year. The future viability of petrol refining is questioned; in other public industries drastic reduction of Government participation and intervention is suggested.

It is not clear from the available material whether this study has resulted in a follow-up. Nor is it clear how - given the prevailing overall environment - wider scope for private enterprise will result in strong improvements in the manufacturing sector. At present, there appears to be little interest in investing in the manufacturing sector, as higher and quicker profits can be made in trading.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

SOMALIA

1. General introduction

The main economic activity in Somalia is nomadic stock raising, in which approximately one-half of the population is involved; it accounted for an estimated 39 per cent of GDP in 1985. Due to climatic conditions, other forms of agriculture play a relatively minor role. The country has a considerable fishery potential, and a strong increase in fish production has taken place in recent years. A large variety of minerals has been identified in the country, but little is known about quantities, and apart from non-metallic mineral mining, no commercial-scale exploration has taken place so far. The country's per capita GDP was US$ 458 in 1984.

2. The manufacturing sector

The share of manufacturing in Somalia's GDP has fluctuated around 5 per cent since the mid-1970s. According to one source, the share actually fell from 8.3 per cent in 1980 to 5.2 per cent in 1986). Per capita MVA has been stable at around US$ 29 since 1980. Total manufacturing employment was 17,525 in 1985. Most enterprises are privately owned. Data on manufacturing are scarce.

By far the most important branch is food processing, accounting for 30.7 per cent of manufacturing output in 1985, 26.3 per cent of MVA and 35.7 per cent of employment. The most important products of the branch are sugar and flour products; the output of both industries has risen considerably since 1980. The sector's overall share however is decreasing: the 1975 output share was 42.2 per cent, and the MVA share 44.3 per cent.

A strong grower during the past decade was beverages, increasing its output share from 6.0 to 12.5 per cent, and its MVA share from 10.4 to 20.0 per cent. The remaining important branch is textiles, but its growth has been modest, from 9.5 per cent of output in 1975 to 12.5 per cent of output in 1985. Printing and publishing, which represented 19.3 per cent of manufacturing output in 1975, has seen its share decrease to 7.4 per cent. Oil refining is no longer a significant industry.

As compared to agricultural exports, manufactured exports are insignificant. There is some export of hides and skins, meat products and forest products (incense). Imports are dominated by oil products. Virtually all other manufactures are imported as well.

There would appear to be a reasonable potential for greater live-stock-based manufactured exports (canned meat, semi-processed hides); also, developments in the fisheries sector seem encouraging. Part of the catch is processed by licensed overseas fishing vessels, but on-shore processing is on the increase. The domestic building materials branch disposes of a good raw materials basis for cement and gypsum, but growth of these industries has been sluggish and would depend on accelerated overall growth, including improvements in infrastructure.

3. Obstacles to production

Somali manufacturing suffers from many constraints, exacerbated by war and droughts. A very small domestic market, a poor or insufficiently explored raw material base, shortages of managerial and technical skills, lack of foreign exchange to purchase inputs and spare parts, infrastructural problems. Although few details are available, capacity utilization in most industries seems to have decreased steadily during the past ten years, a trend that is only now being reversed. The Mogadishu refinery's performance has been affected by its obsolescence and high operating costs; the plant is no longer competitive. Moreover, it relies completely on imported inputs. In the leather industry, where a UNIDO assistance project has been initiated, the main obstacles would seem to be connected with skill shortages and breakdown of machinery. The same problems have been encountered in the meat products industry.

4. Policies directed towards the manufacturing sector

Little information is available with regard to specific policies for the sector. The present public investment programme includes public investment in sugar manufacturing, milk processing, cement, pharmaceuticals and fertilizers. Under an adjustment programme which was agreed upon with the IMF in 1987, a total of SDR 53.9 million was made available for the economy. As part of this programme, the share of the manufacturing sector in GDP is to be increased to 5.7 per cent in 1989. This expansion, however, is to result completely from private initiative. In fact, such public ownership as exists is to be reduced, and the remaining enterprises are to be managed on a more commercial basis. The programme is backed up by an extensive infrastructural improvements programme; to which extent local industries are involved in producing supplies was not known.

5. The scope for rehabilitation

Under the public investment programme, the SNAI sugar mill is to be rehabilitated by 1991; no details were available on the type of problems encountered by the plant. A 1987 UNIDO leather industry project (US$ 63,000) concentrates on the servicing of plant, the introduction of better production and maintenance techniques and the training of personnel in the tanneries of the publicly owned Somali Leather Agency. With regard to the Mogadishu refinery, the available evidence does not indicate that rehabilitation would be worthwhile. The capital cost is likely to be prohibitive. Moreover, the "comparative advantage" that appears to have been a reason for the refinery's construction in the past (the political stability of the region) is no longer available.

The low performance of many industries, as pointed out above, is due to a complex of factors. The overall environment would have to improve to allow growth of the industrial sector.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

SUDAN

1. General introduction

The economy of Sudan grew modestly until the early 1980s. Economic growth was however outstripped by population growth. Since 1982/83, GDP has been decreasing, with a consequent accelerated decline of per capita GDP which was at approximately US$ 400 in 1985, as compared to US$ 460 in 1975. Civil war, lack of continuity in economic policy and decreasing earnings for cotton, the country's major export, are mentioned as the main reasons for the decline of the economy.

Although services are the largest sector (the 1984 GDP share was 48.4 per cent), the agricultural sector, with a 1984 GDP share of 35.6 per cent, is the country's major employer, and major foreign exchange earner.

2. The manufacturing sector

The UNIDO Industrial Development Review states that "the highly bewildering nature of statistics pertaining to the Sudanese manufacturing sector prevents a consistent analysis." On a very general level, data are consistent enough to estimate the sector's 1985 GDP contribution and employment, which were approximately 9 per cent and 200,000, respectively.

The major branches in the sector are food products and beverages, chemicals, textiles and oil refining. Food and beverages accounted for 31.4 per cent of gross output and 20.3 per cent of MVA in 1985. Chemicals accounted for 21.5 per cent of gross output and 20.6 per cent of MVA; textiles and wearing apparel for 11.6 per cent of gross output and 21.1 per cent of MVA; and oil refining for 11.5 per cent of gross output and 11.1 per cent of MVA. No figures on employment per branch are known. The available figures give no indication of structural change since the mid-1970s.

Within the food industry, sugar refining, cereal milling and vegetable oil milling are the major activities. Most of the sugar refining takes place in large-scale, Government-owned mills. Large-scale public enterprises also predominate in textile manufacturing. Government ownership is also strong in the tanning, cement and fertilizer industries. On the whole, public enterprises seem to dominate modern manufacturing. The presumably largest enterprise in the country, a sugar mill, is a joint venture.

Details on small-scale manufacturing are scarce, but in the northern part of the country, cottage industries are thought to be 15 times as numerous as modern industries. Food and beverages account for some 80 per cent of the cottage sector's production. According to a 1981/82 survey, the productivity of small-scale manufacturing per unit of investment is ten times higher than in large-scale manufacturing; productivity per worker is estimated to be three times as high.

The country exports few manufactured goods. The only significant manufactures export mentioned is the UNIDO database is (ginned?) cotton; in other statistics this is included under agricultural products. Machinery, transport equipment, petroleum products, chemicals and a wide range of consumer goods constitute the major imports.

The absence of reliable data makes it difficult to distinguish development trends and prospects. Under the present circumstances, there are few signs that the decline of large-scale modern manufacturing (in all branches) will soon be halted. The share of small-scale manufacturing, especially in the agro-based industries, seems likely to expand in the future. Much however will depend on improving the domestic resource base through efficient agricultural policies and a more intensive exploration/exploitation of mineral and forestry resources. The country also disposes of considerable in-land fishing resources.

3. Obstacles to production

The major constraints that inhibit Sudan's industrial development are: inadequate power and transport infrastructure; shortages of material inputs - both foreign and domestic; limited size of the domestic market coupled with competition from imports; lack of managerial personnel and skilled labour; cost and price distortions; and the ill-conceived and badly executed industrialization projects.

Product and of production technology choice during the 1970s did not always reflect demand and resource characteristics of the national economy. Much of the manufacturing sector became import intensive and geared to the production of goods which could neither be absorbed by domestic demand nor exported because of the uncompetitive cost structure. The drain that these industries constituted on financial resources again had negative repercussions on the ability of the country to purchase essential imports for the sector in later years.

5 Policies directed towards the manufacturing sector

Within an overall framework provided by the Ministry of Finance and Economic Planning, the Ministry of Commerce, Industry and Co-operation formulates and executes policies and measures for the manufacturing sector. Although Development Plans have formulated strategies for industrial development, it appears that actual implementation of projects for the sector took place in a rather haphazard manner.

In 1970, a sweeping nationalization of the sector took place, and Government investment came to dominate the direction and pace of industrial development. Under the Three-Year Public Investment Programme, 1983/84 - 1985/86, the latest on which information was available, manufacturing was to receive 8 per cent of the total investment of S£ 1.462 billion. No further details are known.

The 1980 Encouragement of Investment Act allows generous tax, customs and other concessions to investors but it has attracted very few foreign enterprises. The main obstacle to foreign investment mentioned are foreign exchange restrictions which severely limit the possibilities to retain or repatriate profits and capital, and which have also resulted in highly complicated procedures for obtaining essential imported inputs.

With the assistance of UNIDO, a Crash Programme for Restoration of the Industrial Sector was formulated in 1986. It indicated a need for better co-ordination of industrial planning and plan implementation. A review of present import-export regulations and licensing would also be needed. It singled out small-scale industry as a major source of industrial development in the future, because of its low capital requirements, relatively low dependence on imports and high employment creation. Agro-industries and other industries relying on domestic resources as well as industries producing a range of simple capital goods should also be stimulated.
Expanded training facilities would be needed to provide skilled labour for the designated growth industries. Finally, ways must be sought to expand manufactured exports. A four-year Salvation Programme for Manufacturing is to be based a.o. on the above-mentioned Programme.

5. The scope for rehabilitation

The Crash Programme has not yet resulted in a detailed, coherent set of measures for the rehabilitation and reorientation of industry. More in-depth study is needed to devise effective programmes, but manpower for the purpose is in short supply.

Without a clear indication of future developments, the overall scope for plant rehabilitation is as yet hard to establish. The need is obvious: 21 per cent of the medium- and large-scale units in an extensive 1981/82 survey had been closed down; another source mentions the recent closure of 100 modern sector plants. Capacity utilization rates in the food products sector are low: the average is 36 per cent, and 18.5 per cent for public sector enterprises.

At the branch level, the Crash Programme has however formulated a number of priorities to improve production. The branches covered are textiles, food production, leather products, building materials. Engineering is mentioned, but apart from reference to the need of a "master plan" no priorities are mentioned. The priorities for the other branches can be summarized as follows:

- review of the policy environment;
- review of the domestic resource base;
- establishing the need for manpower training.
- capacity rationalization studies;
- research to improve product quality;
- identification of potential export markets.
- strengthening the role of small-scale enterprises.

The amount needed to carry out the preparatory work for the salvation of the Programme has been estimated at US$ 1.57 million for external costs and S£ 234-347 million for local costs. Project proposals for elements of the programme such as human resource development, branch-level master plans and public sector rationalization and revitalization have been prepared by UNIDO. The country's sugar factories are now being rehabilitated with financial assistance (amount and technical details unknown) from the World Bank and several Arab countries.

Moreover, a preliminary assessment of the rehabilitation potential of some 20 enterprises has already been made under the Crash Programme. The preliminary assessments of rehabilitation needs/scope under the Crash Programme were based on financial estimates of new equipment needs etc. The great majority are food industries. In most cases, further studies are recommended in the preliminary assessments. These studies would in general focus on techno-economic issues; in some cases, a management study would have to be made.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

SWAZILAND

1. General introduction

After rapid growth during the 1970s, the country's economy has been negatively affected by decreasing world prices of sugar - the country's major export - and adverse climatological conditions affecting agriculture, the major contributor to GDP. Its share in GDP was 25.3 in 1982-83. The various services subsectors combined contributed close to 40 per cent of GDP. Per capita GDP was US$ 1,034 in 1984; this places Swaziland among the highest income countries in the continent.

Swaziland is unusual in that the country's finances and resources come under a dual administration: the Tibyo Takangwane or Swazi Nation for the country's land resources (agriculture, minerals), representing ethnic Swazis living in rural areas, and the Swazi Government for the remaining economic activities. The Tibyo, however, has expanded its involvement to include a number of other economic activities such as transport and construction. As the Tibyo is unaccountable to Parliament, co-ordinated planning of economic activities is difficult.

2. The manufacturing sector

Growth in the manufacturing sector was faster than overall growth during the 1970s. The first half of the 1980s, however, mainly showed negative growth rates for the sector. Total industrial activity (including construction and energy, presumably) accounted for 29.8 per cent of GDP in 1984; the actual share of manufacturing was probably closer to 20 per cent. Per capita MVA in that year was US$ 169, down from US$ 180 in 198[illegible].

The manufacturing sector is dominated by agro-based industries. In 1981, food and beverages accounted for 50 per cent of MVA; sugar milling was by far the dominant industry in the branch. Paper and paper products (mainly pulp-milling) accounted for 21.1 per cent. When wood products are included, the forestry-based subsector accounted for 27.5 per cent. The remaining important manufacturing branch was chemical products, with 11.5 per cent of MVA. The branch mainly produced fertilizer. However, the fertilizer producer, the Swaziland Chemicals Industry, was closed in 1984 as a result of domestic agricultural stagnation, depressed world markets (the factory was a major exporter), inefficiency and South African competition.

During the past ten years, there has been a clear shift in favour of food processing and away from forest-based products: in 1976, the latter still accounted for one-half of MVA. There has also been some diversification: the metal products (agricultural implements, simple consumer goods), though still small, has gained in importance since the late 1970s.

In 1982, the sector employed 11,800 workers, some 15 per cent of the labour force; it is to be assumed that the labour force has decreased since then. Most employment and production is concentrated in a few large enterprises: two sugar mills, two saw mills, a pulp mill and a fruit canning factory accounted for 68 per cent of MVA and 45 per cent of employment in 1980. Foreign investment (mainly British and South African) plays an important role in the sector; the Tibyo has also acquired substantial holdings in industry. Government investment mainly focuses on the smaller industries; most enterprises, however, are private property. No information was available on small-scale industry.

The larger part of Swaziland's exports consists of manufactures. Sugar and wood pulp predominate among these, accounting for two-thirds of all exports, and for over 90 per cent of manufactured exports. Machinery and transport equipment constitute the main manufactured import; a wide range of consumer and producer goods is imported, though. South Africa is the country's major trading partner.

Most of the sector's future development potential is likely to be found in the agro- and forest-based industries. Fruit products are seen to have considerable export potential, but this would require a shift in agricultural production. Higher value-added wood products (e.g. furniture) also seem to have a good export potential, and investments would be modest. It is unlikely that relatively large-scale chemicals enterprises, such as the closed down fertilizer plant, would be viable in the future, but medium-scale manufacturing of e.g. batteries might well prove a future grower. For all these industries, exports to other member countries of SADCC seem feasible. The prospects for EPZ-type production, oriented towards European/USA markets, should also be studied. In the latter case, Swaziland's preferential access to the markets mentioned above would be an advantage. The textiles branch, until recently rather insignificant, is in the process of becoming a major industry. Asian investors have opened four textile plants providing close to 1,000 new jobs. Future developments with regards to foreign investment will, however, to a large extent depend on the political developments in the region.

3. Obstacles to production

Fundamental problems underlying the stagnation in the sector are: shortages of skilled manpower and managers, the very small size of the domestic market, a depressed world market for such commodities as sugar and wood pulp, the country's landlocked position (with transport routes threatened by political instability), the strength of and dependency on the manufacturing sector of neighbouring South Africa, and the low productivity of the traditional sector which, moreover as indicated, has considerable political power. Potential foreign investors often opt for the Republic of South Africa which is able to offer more favourable investment terms

4. Policies directed towards the manufacturing sector

Planning is constrained by two factors. One is the strong presence of the Tibyo, another is the country's relationship with South Africa. The country is a member of the South African Customs Union (SACU) and of the Rand Monetary Area. The Swaziland Government cannot restrict movements of goods and capital within SACU.

The National Development Plans, however, have stressed the key role of industry in national development. Industrial policy objectives include:

- accelerated manufacturing growth, especially in labour-i intensive industries;
- increasing the participation of Swazi nationals in the sector, while stimulating foreign investment;
- dispersion of industrial development;
- better linkages with and exploitation of the natural resource base;
- promotion of manufactured exports.

The ministry responsible for overall strategies and policies is the Ministry of Commerce, Industry, Mines and Tourism. The Swaziland Industrial Development Corporation (SIDC) promotes industry through studies, the provision of industrial infrastructure, loans and equity participation. SIDC replaced the National Industrial Development Corporation of Swaziland (NIDC) and was to become fully operational in 1987. NIDC, which by the mid-1980s was insolvent as a result of poor management and project appraisal/supervision, is to continue to support "essential non-viable projects". A World Bank report advocates restructuring a NIDC subsidiary, the Small Enterprise Development Company (SEDCO), which was also insolvent, to serve as a channel for technical and management assistance to small-scale enterprise. Financial assistance, hitherto also a SEDCO task, would be provided by the banking sector in the future.

5. The scope for rehabilitation

The available material does not clearly indicate a need for factory rehabilitation. The disappointing performance of the sector seems largely a consequence of external factors: the low productivity and special politico-economic status of the rural sector, the political situation in the region, the country's strong economic dependence on South Africa, the small size of the domestic market, the difficult access to non-regional markets, and finally the shortage of skilled manpower. Expanded co-operation within the framework of SADCC, reducing the country's dependence on South Africa, seems one precondition for rehabilitation of the sector as a whole. The performance of industries under the Tibvo (this would include artisanal production) is unknown.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

TANZANIA

1. General introduction

Since the mid-1970's. the Tanzanian economy has suffered from the consequences of low world market prices for its agricultural exports, ill-conceived rural development policies and a costly war with Uganda. *Per capita* GDP decreased from US$ 288 in 1975 to US$ 248 in 1984. During the last few years, policy reorientations in the framework of IMF/World Bank-supported recovery programmes and good harvests have begun to stabilize the economic situation.

Tanzania's economy is dominated by subsistence agriculture. The sector accounted for the great majority of the economically active population and for 44.3 per cent of GDP in 1984. The country's major exports are agricultural crops (cotton, coffee). The services sector accounted for 42.4 per cent of GDP in 1984.

2. The manufacturing sector

The manufacturing sector's decrease has been stronger than that of the economy as a whole. In 1975, industry accounted for 12.6 per cent of GDP; in 1984, the share was only 5.0 per cent. The downward trend was continued in 1985, when output decreased by 6.4 per cent.

Manufacturing employment has stabilized around 100,000 since the late 1970s. Approximately one-fourth of the manufacturing labour force worked in small-scale enterprises, and another 150,000 persons are believed to be engaged in artisanal production. Small-scale industry is considered more efficient than large-scale: a calculation based on data for the early 1980s shows that their domestic resource cost (per unit of value added) was, on average, only 35 per cent of the domestic resource cost of industry as a whole. By 1981, value-added per worker was 15 per cent higher in small-scale than in large-scale industries.

The sector is dominated by two branches: food and beverages and textiles and wearing apparel. Food and beverages accounted for 27.4 per cent of gross output, 23.0 per cent of MVA and 25.6 per cent of employment in 1985. Textiles and wearing apparel accounted for 20.9 per cent of gross output, 22.5 per cent of MVA and 33.4 per cent of employment. The only other significant group of industries is the metal products and machinery subsector, accounting for 15.3 per cent of output, and a similar MVA share in 1985.

Structural change has been very limited. The output and MVA shares of food and beverages decreased by some 2 per cent since 1978; this may be solely due to temporary raw material shortages. The output share of textiles has gone up by 4.7 per cent since 1978, and the MVA share by 3.2 per cent.

Future growth in the sector will to a large extent depend on economic recovery, and especially on growth of the rural economy. Judging by their performance in recent years, small-scale industries would seem the most likely growers, especially in the food products, beverages and textile industries. The metal products and machinery industries could grow in a "supporting role", i.e. as providers of simple equipment, especially for the rural sector and the major growth industries indicated.

In 1981, public sector manufacturing accounted for some 55 per cent of output and value added in enterprises with more than 10 workers. The tobacco, cement and iron and steel industries are wholly Government-owned. Large-scale paper and textile production is largely controlled by the Government. There is little public ownership in small-scale industry.

Manufactures account for 15-20 per cent of Tanzania's exports. The major items are petroleum products, textiles and sisal products. Imports are dominated by petroleum products, machinery and road vehicles. Tanzania's industry imported some 70 per cent of its inputs in 1984, a figure that has doubled since 1973.

3. Obstacles to production

The continuing economic problems of the country have resulted in a number of special problems for industry. Raw materials and spare parts are scarce. Investment has in the past often been made on the basis of an inadequate assessment of the country's potential and needs. This has resulted in plants that are too large and capital-intensive. Power, water and road infrastructure are inadequate. In many industries, management and technological skills are in short supply. An overall result of the stagnation of the economy is low demand in what is potentially one of Africa's larger markets. The policy environment, finally, is responsible for some of the problems. A 1986 World Bank study e.g. shows that in most cases a clear relationship exists between high protection rates and low efficiency in industrial production.

4 Policies directed towards the manufacturing sector

The economic strategy outlined in the Structural Adjustment (SAP) provides the most detailed statement of the Government's intentions to deal with the current economic crisis. Despite the fact that the three-year period (1982-85) for which SAP was originally devised has lapsed, the major features of policy outlined by this programme continued to determine the priorities and attitudes of the Tanzanian Government. SAP incorporates detailed proposals for revitalizing the industrial sector. The key Government body involved in industrial sector programming is the Ministry of Industry.

The objectives of the industrial sector component of the Structural Adjustment Programmes were to:

- increase the domestic supply of basic consumer goods for the urban and rural sector and inputs for agriculture;
- reduce the import content of industrial production;
- generate a higher level of industrial exports;
- minimize demands on the balance of payments for the expansion of industrial capacity; and
- maximize revenue generating potential from new production units.

Priority in the allocation of foreign exchange to industry will be accorded to:

- the supply of certain basic amenity goods;
- ensuring a reasonable flow of incentive goods (such as bicycles, radios, etc.) to stimulate, inter alia, production;
- inputs and equipment for agriculture;
- the production of goods generating high sales and excise tax revenues (e.g. beer and cigarettes);
- the production of export goods.

Foreign exchange allocations will be made to ensure capacity utilization of the most efficient plants producing priority goods for the domestic market and/or goods for export. The overriding criteria for measuring efficiency will be:

- for the domestic market: the foreign exchange cost per unit of ouput compared to the cost of imports;
- for the export market : net foreign earnings.

Industries with surplus capacity or plants producing low priority goods will be closed down. Although a few large-scale proects are still to be completed, the focus of the Programme will be rehabilitation. Procedures, controls and incentives are to be reviewed, simplified and made more coherent. The industrial support infrastructure in Government agencies is to be strengthened.

5. The scope for rehabilitation

The SAP clearly recognizes the priority of rehabilitation over setting up new factories. The Government has estimated the financial requirements at US$ 37.4 million. The industries to be rehabilitated are in the food, beverages and tobacco; textile, clothing and leather; paper and printing; chemicals, rubber and plastics; cement and glass, and metal products and machinery subsectors. The textiles (US$ 15.8 million) and metal products (US$ 10.1 million) subsectors account for most of the planned expenditure. The rehabilitation programme, however, does not appear to be adequate.

First, no attempt was made to assess the longer-term economic viability of the industries to be rehabilitated. The figures for rehabilitation needs were based on estimates of each plant's management with regard to physical plant and equipment repair replacement. The criterion of direct foreign-exchange saving was not consistently applied. Many of the selected enterprises are very inefficient and are not likely to become competitive in the foreseeable future.

Second, the intended allocations for rehabilitation are heavily biased towards large enterprises and parastatals. Many large-sized parastatals are unviable even under better general conditions, while there are many private small and medium enterprises which are quite efficient. The present bias of the rehabilitation proposals is likely to accentuate the large inefficiencies in the allocation of resources.

Third, the actual figures for rehabilitation needs are questionable. The reliance on the firm's management for the estimates inflated the need for physical inputs. More importantly, the concentration of rehabilitation proposals on improving of physical equipment implied a very narrow definition of what needs to be done to restore existing plants to reasonable standards of operational efficiency.

Rehabilitating plants properly, and ensuring that they continue to operate efficiently, requires a much broader set of inputs than just material replacements or spares. Enterprises should be provided not only with physical rehabilitation requirements, but also the technical, organization, managerial and training inputs needed for efficient operation. In the short to medium term, overall rehabilitation needs should be carefully assessed against the competing needs for recurrent inputs within industry, and against the overall resource requirements in other sectors. Furthermore, the nature and phasing of the rehabilitation programme should be closely integrated with the macro-economic, trade and industrial policy reforms, which would be expected to provide potentially viable firms with incentives to rehabilitate, while discouraging others.

Although, under SAP, bilateral assistance helped to remove a number of bottlenecks (e.g., improving the performance of factories through provision of spare parts), the overall programme does not appear to have been successful. An evaluation, however, was not available at the time of writing.

Some of the above remarks apply to a UNIDO project to rehabilitate a sisal bag plant (UNIDO input US$ 1,109,500). The plant was rehabilitated in 1979, but poor maintenance and shortage of spare parts soon resulted in deterioration of equipment. The new project provides both technical rehabilitation plus improvements in maintenance and management procedures. Even so, a recent mission report, while underlining production growth, mentions power cuts and raw aterial shortages resulting from inconsistent sisal price policies as seriously inhibiting the plant's normal functioning.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

TOGO

1. General introduction

Togo's economy has suffered from low prices for phosphate, the country's major export, since the mid-1970s. An ambitious and ill-conceived industrialization programme, conceived at the time of high phosphate and agricultural export prices, has contributed to the country's chronic economic problems. *Per capita* GDP decreased from US$ 429 in 1975, to US$ 341 in 1984. In the mid-1980s, the economic situation stabilized as a result of an IMF-supported adjustment programme.

The services sector is the largest contributor to GDP, with a 1984 share of 42.8 per cent. The larger part of the population, however, is employed in agriculture, which accounted for 28.5 per cent of GDP in 1984.

2. The manufacturing sector

The share of manufacturing in GDP decreased from 10.7 per cent in 1975 to 6.6 per cent in 1984. *Per capita* MVA decreased from US$ 46 to US$ 23 over the period. The sector employed 3,800 persons in 1982. Data on the sector are scarce, especially for recent years. No information was available on small-scale industries.

The major industry is beverages which accounted for 34.9 per cent of gross output, 53.7 per cent of MVA and 16.5 per cent of employment in 1982. It is followed by food products, with 19.5 per cent of gross output, 12.4 per cent of MVA and 11.7 per cent of employment in 1982. Industrial chemicals accounted for 12.6 per cent of gross output, 13.4 per cent of MVA and 13.8 per cent of employment. Textiles and non-metallic minerals have also been important industries, but no post-1980 data were available for the former, while the latter's performance was severely reduced by the closure of CIMAO, the largest cement plant in the region in 1984

In the absence of data, little can be said about structural change or development trends. The large-scale projects set up during the 1970s, the cement plant, an oil refinery, a steel mill and two integrated textile complexes have all been failures. The oil refinery now operates as a depot only, the cement plant is due to be re-opened this year. The steel plant was closed down in the early 1980s; its present status could not be established. The textile mills have recently been reopened. All these enterprises were Government-owned. The cement plant was jointly owned by Togo, Côte d'Ivoire and Ghana. Apart from this enterprise, all others have been sold to foreign investors. The only large-scale project being considered at present is a phosphoric acid plant, for which World Bank support would be available.

Togo disposes of a reasonably good raw material base for agro-industries. It appears, however, that little but the most rudimentary processing takes place. Should the present economic recovery continue, there would be a growing market for agro-based products. Small-scale processing could thus become a growth industry.

Togo does not export manufactures on a significant scale now. Until the plant's closure, cement was the country's major manufactured export. Ginned cotton (if considered an industrial product) accounted for 9 per cent of total exports in 1984, up from 1 per cent in 1980.

3. Obstacles to production

The costly failure of the ambitious attempts at large-scale industrialization in the 1970s are still felt. The country contracted a large external debt in the execution of the projects, and the problem of servicing these debts has been worsened by low export earnings from raw materials. Foreign exchange shortages have severely limited imports of inputs and spare parts. The available material also indicates that the administration is inefficient and that administrative procedures are complicated. The country is short of qualified personnel, both in industry and in industry-related Government agencies. The relative neglect, until recently, of the country's infrastructure has resulted in supply and marketing problems.

4. Policies directed towards the manufacturing sector

Few details were available on policies and measures. The fourth (1981-85) development plan allocated CFAF 73.4 billion to industry and commerce. Under the fifth plan, the amount has been reduced to 16.9 billion, less than 5 per cent of total spending. No other details are known. As indicated above, the Government has privatized most of the public enterprises. In 1985, a new investment code was published which allows free repatriation of capital and profits; tax and import duty reductions are also available. Investments of less than CFAF 300 million require a local majority participation and a majority of local employees.

5. The scope for rehabilitation

The lack of information and the so far sluggish recovery of the economy make it impossible to indicate which reorganizations in the manufacturing sector could lead to renewed growth. It would appear that the majority of the large-scale projects of the 1970s have been written off. The textile plants, now under foreign management, would seem an exception. A UNIDO team made an evaluation of the CIMAO plant in 1985. It named weak management, insufficient market surveys and uncompetitive products as the main reasons for the plant's failure. Only a concerted effort by the owner-states would solve these problems. No UNIDO rehabilitation project was formulated. It is not clear what action the owner-states took, but, as indicated, the cement plant is due to be reopened.

The obstacles to rehabilitation notwithstanding, UNIDO has executed a $960,609 UNDP project to improve the performance of an agricultural implements plant. The assistance given included:

- improving management;
- providing training;
- improving marketing.

The programme moreover includes expansion of plant.

The available material on the project indicates that, due to delays in building and equipment delivery, the plant expansion was not completed on schedule. Nor could personnel be trained to use new equipment. The project, however, would be completed in mid-1988. Sales appear to have expanded. **No information was given on** management improvements.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recomended.

TUNISIA

1. General introduction

After the record long rule of President Bourghiba, power now is in the hands of Bourghiba's Interior and Premier Minister, Ben Ali. The smooth transition of power has raised hopes the country will be able to contain political unrest stemming from worsening living conditions for large portions of the population, which has acted to encourage and promote the message of islamic radicals. After Ben Ali assumed the full leadership the handling of the opposition has turned softer and more pragmatic. This development spells well for Tunisia, which needs continued political stability and pragmatism in order to overcome existing pressure on the economy and also needs to revitalize its basic industries including agriculture as well as the tourism industry. The western slant in political relations helps to raise aid funds and credits, but will be balanced against arab interests in general and those of the stronger neighbours in particular.

Tunisia's GDP per capita was recorded at $1470 in 1984, more than twice that for all of Africa. The real annual average growth in GDP per capita was for the 1970's 5.4 per cent, partly reflecting the development of the energy sector, with energy exports reaching a peak of over half of merchandise exports by the early 1980's. The period thereafter has seen sharp fluctuations. In 1982 real growth was marginally negative. For the period 1981-84 the real annual average growth has been recorded at 1.5 per cent. Compared to Africa as a whole, this was still favourable, since the continent registered negative 2 per cent growth for that period. In 1985 growth was positive, but in 1986 real GDP declined by 1.2 per cent.

A number of factors contributed to the setback. Agricultural production was constrained by a severe drought, there was a substantial reduction in government spending on construction and public works, a slight decline in oil production and depressed tourism (which accounts for some 20 per cent of Tunisia's earnings of foreign exchange). Developments in 1987 were expected to be more positive, as the external conditions improved during that year and the economy responded to policy changes introduced in conjunction with the IMF and the World Bank. Notably to reduce the role of the public sector and cut down on subsidies including politically sensitive food subsidies.

Tunisia has a relatively diversified economy, with important agricultural, mining, energy and manufacturing production. It is a producer of agricultural crops for export (notably olive oil and citrus), though the country is dependent on large food imports. It is one of the biggest phosphate producers in the world, and processes some of its output into phosphoric acid and fertilisers. Tunisia is also an oil and gas producer, with a large commercial primary energy surplus and hydrocarbons contributing 24.2 per cent of total exports in 1986.

In later years of hardening economic conditions, Tunisia has been able to curb inflationary tendencies relatively well. Consumer prices have decelerated since 1983, partly reflecting the moderation of world inflation compounded by the appreciation of

the tunisian dinar until 1986. However, it also reflects the high level of consumer price subsidies and thus foreshadows increasing inflationary pressures as the subsidies are reduced. The terms of trade moved against Tunisia between 1983 and 1986 - the latter year by 11.7 per cent - but for 1987 they were expected to improve by 1.4 per cent.

Tunisia's balance of payments typically show deficits both in the trade balance and on the current account. The current account deficit was 7.2 per cent in 1985. The relatively quick policy response to the adverse developments in 1986, in combination with forthcoming donors and creditors, prevented a balance of payments crisis, and the current account deficit was expected to decline to below 6 per cent in 1987. The pressure on the balance of payments remains, however, as the efforts to restructure the economy will need a few years to take full effect. The total external debt as per cent of GNP has climbed from 40 per cent in 1982 to 52 per cent in 1986 and the DSR from 16.6 per cent in 1983 to 27.9 per cent in 1986.

2. The manufacturing sector

Manufacturing is an important sector in Tunisia's economy, contributing some 15 per cent of GDP in 1986. The two largest manufacturing activities are food processing (especially cereal derivatives, meat, and olive oil) and the production of textiles and leather goods.

Textiles is the biggest industry after petroleum. It accounted for 28 per cent of exports in 1986 and employ 13 per cent of labour in the private industrial sector. Together textiles and food processing account for almost one half of manufacturing output, although slightly less in terms of share of value added. However, in most recent years the fastest expanding activities have been construction materials and glass, mechanical and electrical products, as well as wood and paper industries.

Growth in the manufacturing sector as a whole reached 5.9 per cent in 1986, compared with an overall GDP decline of 1.2 per cent. Between 1975 and 1985, the sub-sector transport equipment grew in real value added terms by an annual average of 17.39 per cent. However, together with the construction, the transport industry including auto assembly plants for leading French, German and American automobile industries, suffered the most from the slump. The toll was two plant closures and the suspension of production at others.

Benefitting from rising external demand and despite the drought, food processing industries showed an increase of 5.5 per cent in real value added, down from an annual average of 7.98 per cent for the period 1975-85. Advances were made in the production of cereal derivatives, dairy products, sugar, mineral water and soft drinks, and cigarettes. For the sub-sector construction material and glass industries, growth was restricted to 4.1 per cent, which for some industries implies a reduction of more than 10 per cent compared to the period 1975-85. Owing to weak domestic demand, growth in mechanical and electrical industries was down to 0.8 percent. Also this is a fall of more than 10 per cent compared to the annual average 1975-85.

Reflecting a further strengthening of export demand, the textiles industries more or less maintained earlier growth rates of around 5 per cent, clothing industries recorded growth rate of some 6 per cent, (21 per cent for the period 1975-83) and leather products industries, by recording a growth rate in 1986 of over 6 per cent, improved substantially on past performance (minus 4.5 per cent for the period 1975-83). Wood and paper industries recorded a growth of 6.1 per cent for 1986, thereby continuing to increas their share of of value added in manufacturing (a modest 5.1 per cent in 1980).

For 1987 the real growth in manufacturing was expected to be around 6 per cent, reflecting in part an expected rebound in mechanical and electrical industries, as well as construction material and glass industries, but also the continued relative weakness of domestic demand.

3. Obstacles to production

The major obstacle is the foreign exchange shortage. Also contributing to a harder climate for manufacturing has been the political uncertainty in recent years. The results have been lower investment levels and reduced domestic as well as foreign demand.

4. Policies directed towards the manufacturing sector

In 1970 the manufacturing sector accounted for modest 7.7 per cent of GDP. During the years of buoyant petroleum revenues in the later 1970's, investment in the sector was high. In 1986 it amounted to 14.8 per cent of total investment and for 1987 investment in the sector is expected to be favoured by the new investment code promulgated in August 1987, which liberalised investment and provides various tax incentives, as well as guarantees on the repatriation of capital and investment income by nonresident investors.

It is estimated that over 60 per cent of value added in the manufacturing sector stems from public enterprises which also account for the largest share of investment. The ongoing reform of the public enterprise sector, aimed at reducing government involvement in the activities that are deemed viable without government aid, will lead to further privatisation of the manufacturing sector. Given the pressured conditions and the need to curtail public spending, a reform programme has been introduced. Major elements in the programme are to cut in half the number of public enterprises (in manufacturing as well as in other sectors such as public works and utilities), to facilitate the privatisation of sectors where private firms are competitive, or could operate profitably, and to draw action plans for the rationalisation of enterprises which, because of their strategic nature, the size of the investment involved, or their position as natural monopolies, are destined to remain in the public sector.

5. The scope for rehabilitation

From a macroeconomic perspective it seems clear there exist opportunities for rehabilitation of manufacturing industries in Tunisia. The political stability, the pragmatic policies, increased regional economic cooperation as well as the relative closeness to the major markets in Europe, are all factors in favour of Tunisia. The decline in investments and stagnating output in later years, although negative trends per se, imply the conditions are ripe for rehabilitation in a great variety of branches, ranging from food processing to transport equipment industries and including mechanical and electrical industries. Particular needs will exist in those enterprises that the government for some of the reasons quoted above wishes to keep in the public sector, but are viable economic enterprises per se. In other respects the policies of the government do not seem to be particularly conducive for a rehabilitation programme of the type in question. They seem to be aiming primarily towards private investors, domestic or foreign, for assistance regarding the needed upgrading of the industrial performance.

UNIDO operates seven projects (see appendix), but none of them seems to fall under the heading of rehabilitation.

6. Recommendation for UNIDO follow-up action

Unless there is a specific request from the Tunisian government for assistance along the lines of the intended UNIDO programme for industrial rehabilitation, no particular follow up action is recommended.

UGANDA

1. General introduction

The Uganda economy has suffered severely from war, political instability and mismanagement. Per capita GDP was US$ 240 in 1983, one-third of the 1972 figure. The more settled situation at the beginning of the 1980s allowed the Government to initiate a package of IMF-supported reforms. These resulted in some growth during 1981-1984. Since 1985, a downward trend has once again characterized the economy. The most recent, 1987 estimate puts per capita GDP at US$ 70.

Subsistence agriculture is the main economic activity. The agricultural sector accounted for 78.6 per cent of GDP in 1984, an 10 per cent increase over the early 1970s. The agricultural sector provides the country's only significant export, coffee.

2. The manufacturing sector

The manufacturing sector's share in GDP has decreased by some 50 per cent since the mid-1970s; its 1984 share was 3.6 per cent. A similar decrease took place with regard to per capita MVA, which, however, stabilized at around US$ 40 in the early 1980s. Employment in medium- and large-scale enterprises was 54,500 in 1983, as compared to 47,300 in 1971. Labour retention was achieved through drastic wage cuts.

Detailed information about manufacturing in the post-1980 period is very limited. The food products and beverages branch accounted for 51 per cent of MVA in 1982. Textiles and wearing apparel followed with 26.6 per cent. The only other significant industry was tobacco products, with 8.4 per cent. The most important industries, in MVA terms, in 1983 were coffee curing and textiles and garments, accounting for approximately 50 per cent and 12 per cent, respectively. Textiles (12,700 employees) and coffee curing (10,000 employees) were the major employers in 1983. Enterprises controlled or partly owned by the Government accounted for approximately 40 per cent of employment in 1983. The status of enterprises, however, is in many cases not clear, a.o. as a result of the uncertainty over ownership of former Asian property. Government control or participation appears to be common in most of the key industries.

At present, Uganda does not appear to export manufactures on any significant scale. Petroleum products, all machinery and equipment, road vehicles and a wide range of consumer goods are exported. International trade now mainly takes place in barter form.

The absence of data and continued unrest and disorganization preclude an assessment of development trends in the sector. Under the 1982-1984 Recovery Programme, food processing initially showed strong growth, but the trend was not sustained. In 1986, the output of food industries decreased by 24 per cent, of other industries by 13 per cent.

The new (1987-1991) Rehabilitation and Development Plan gives priority to steel, textiles, beverages, sugar, cement, salt, phosphates and edible oils. It remains to be seen, given the

general situation and previous experience, whether sustained growth can be initiated in those industries now.

3. Obstacles to production

As a consequence of the overall economic decline and chaos, the sector is virtually unable to import essential inputs and spare parts. Working capital is in short supply. Production is also handicapped by irregular power and water supply. The extremely low per capita income and the deterioration of the road infrastructure severely constrain the domestic market. The shift back to subsistence agriculture has resulted in a decrease of raw materials for industry. Both public and private enterprises and Government agencies involved in industry suffer from a shortage of qualified manpower. Management problems appear to be especially serious in public enterprises.

4. Policies directed towards the manufacturing sector

The available material contains no reference to coherent policies for industry. A 1986 World Bank study suggests the setting-up of an Industrial Policy Unit to elaborate and co-ordinate strategies and policies.

Under the 1982-1984 Recovery Programme, industrial rehabilitation was a key issue. The success of the measures taken was limited: only 6 out of the 22 analyzed subsectors showed "relatively strong" recovery. More details may be found under 5.

The 1987-1991 Rehabilitation and Development Plan emphasizes reconstruction of the country's infrastructure and agricultural development. Few details are available on the Plan. Industry (+ tourism) is to receive 22 per cent of total investment; most of it is to be used to rehabilitate industries producing "essential commodities" (see under 5).

5. The scope for rehabilitation

It is not clear, from the available documentation, how the scope for rehabilitation was defined under the 1982-1984 Plan. A number of large industries was selected: sugar, textiles, tobacco, beverages, cement and phosphate. Funds were, however, also made available for a wide range of smaller projects. Most of these manufactured food products and textiles. The total planned investment programme was US$ 437.6 million, of which 45 per cent was to be committed during 1982-1984.

Main investment sources were the ADB, the EEC and World Bank (IDA). Judging from the details available on the analysis of a number of large public enterprises, the main issues addressed in the rehabilitation studies were:

- ownership (the unsolved problems with regard to former Asian property were a major reason for including this issue)
- long-term viability;
- organization and management;
- physical and technological restructuring.

By mid-1984, only US$ 92 million had been committed to rehabilitation projects. The underlying problems that have delayed progress in the rehabilitation programme include: (a) lack of creditworthiness of the enterprises involved (due to poor management and unpaid past loans); (b) the continuing uncertainties regarding present and future ownership status of firms; (c) the continuing security problems in the country; (d) the weakness in project preparation and implementation, particularly in publicly-owned industrial enterprises; and (e) the weak data base on areas such as market size and growth which makes it difficult to appraise projects.

An additional problem is the lack of Government resources to finance recurrent expenditure to complement the planned investment. Uganda's institutional problems and policy shortcomings are seen as a fundamental constraint in their own right. While these problems have been plaguing the large-scale Government-owned section of the industrial sector, there is, according to the study, relatively high level of successful rehabilitation activity in the small-scale industries sector.

The 1987-1991 Rehabilitation and Development Plan appears to take up the large-scale industry priorities of the 1982-84 Plan again, with the addition of salt and phosphate. The total estimate of the investments needed under the Plan is US$ 1.3 billion, of which industry and tourism are to receive US$ 272 million. The goals are thus relatively modest compared with the former Plan. Whereas roughly 50 per cent of the agricultural and infrastructural projects has now been funded, this is only the case for 30 per cent of the industry & tourism projects. This could indicate hesitation on the part of the donor community to commit itself once again to industrial rehabilitation before fundamental reconstruction of the economy has taken place.

The difficult environment in which industry operates is also noticeable in a US$ 395.000 UNDP/UNIDO project, started in 1981, to rehabilitate a biscuit plant. The purpose of the project was:

i) to improve and update the existing manufacturing facilities in the factory,
ii) to assist in the installation of the new equipment;
iii) to increase production in order to meet the local demand and subsequently to export products to neighbouring countries;
iv) to train nationals in food technology management, marketing techniques and the operation and maintenance of plant machinery.

The first two objectives were achieved, but there has been little progress with regard to the last two. According to an evaluation report:

> "This was mainly due to external factors such as: lack of raw materials due to the country's difficulties with foreign exchange, lack of working capital especially due to an ownership problem and an unfavourable infrastructure because of the unreliable power and water supplies. These external factors, however, could have been foreseen during the formulation of the project. The effect of the

high level of dependency on imported raw materials to the project not being foreseen is a failure of the project itself. Given such hostile external factors, it is not unreasonable to say that the fourth objective was not realistic and clearly formulated since also the training component was not achieved because of the low output of the factory."

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

ZAIRE

1. General information

As a result of economic mismanagement and of decreasing world prices for the country's main export, mining products, Zaire's economy experienced a long period of decline during the 1970s and early 1980s. Per capita GDP decreased from US$ 305 in 1975 to US$ 222 in 1983. A recovery programme, initiated in 1983 after consultations with the IMF, has stabilized the situation. Real GDP growth was expected to be 2.5 per cent in 1986. The country's large foreign debt however is a heavy burden for the economy.

Although services constitute the economy's largest sector, with a 1984 GDP share of 34.9 per cent, mining is the key sector. It accounted for 24.8 per cent of GDP in 1984. The share of the agricultural sector, which provides employment for the great majority of the population, was only 13.6 per cent in 1984. This figure reflects the low degree of monetization of the rural economy. Zaire's natural resource basis is one of the richest of the continent. As a consequence of economic stagnation much of it remains unexploited.

2. The manufacturing sector

The manufacturing sector's contribution to GDP is small. It accounted for 2.5 per cent in 1984, down from 3.7 per cent in 1975. Per capita GDP decreased from US$ 11 in 1975 to US$ 6 in 1984. Analysis of the sector is difficult as data are scarce and often unreliable. Available data on the output of individual industries, however, suggests slow growth since 1984. Another indicator in this direction is the growth of gross fixed capital formation, which increased from 16.0 per cent in 1983 to 20.9 per cent in 1984. Employment in large-scale modern factories was approximately 62,000 in 1983; data on employment in artisanal and small-scale units were not available.

In terms of MVA, beverages was the most important industry in 1982, with a share of 27.2 per cent of total MVA. Food products followed with 12.7 per cent, footwear, tobacco and industrial chemicals each accounted for some 8 per cent. The most important manufactured products (by volume) are beer, flour, sawn wood, sulphuric acid and cotton textiles.

Minerals accounted for some 60 per cent of all exports in 1984. This would involve a volume of ore concentrate which is categorized as a manufactured export. No details on the share of concentrates were known, however. Timber, cement, crude rubber and palm oil are the remaining significant manufactured exports. No post-1980 data were available on the value or volume of these exports. Manufactured imports predominantly consist of petroleum products. Other imports are road vehicles and machinery and consumer goods. No recent import figures are available.

Likely future trends in manufacturing can only be described in the most general terms. It would appear that many enterprises in the sector have undergone programmes of rationalization, fixed asset renewal and modernization in the past three years. This will have put them in a good position for responding to the recovery of

demand. The Plan for 1986-90 sets an average annual growth rate of 8 per cent for the industrial sector. Export industries in the sector would remain marginal during the next few years although there are opportunities in the important subregional markets.

3. Obstacles to production

The generally unfavourable economic and policy environment that existed up to the early 1980s has seriously affected industrial development. Ill-conceived large-scale projects and the Zairization of management for which the country had neither sufficient financial nor human resources, caused widespread plant closures. Foreign capital was withdrawn from the sector on a large scale, and there are so far few signs that foreign investors have regained confidence in the investment climate. Shortages of capable personnel, at all levels, of imported inputs and of spare parts have resulted in dramatic production decreases in enterprises that still function. The inefficiency of the administration is also a serious problem.

As a consequence of austerity measures in recent years, and with a large part of the population living outside the monetized sector, the internal market is small. Moreover, the rudimentary transport infrastructure has deteriorated badly during the past two decades. Apart from being an obstacle to marketing, this also causes bottlenecks in the supply of factories. Neglect of the agricultural sector, finally, has severely affected the raw material base of agro-industries.

4. Policies directed towards the manufacturing sector

The central aency for the formulation of plans for industry is the Department of Planning. Since 1985, planning has been considerably strengthened, a.o. through the establishment of planning cells in public enterprises. UNIDO is preparing a project to improve industrial planning and promotion.

It is not clear, from the available material, whether the 1983 recovery programme implemented in consultation with the IMF had a specific industrial component. Privatization and reduction of Government influence in the remaining public sector enterprises are known to be one result.

The recovery programme has served as a basis for the 1986-1990 Plan for Socio-Economic Development. Again, little is known about the manufacturing component. The Plan focusses on improvements in physical infrastructure, and increases the scope for private enterprise and decentralized development. Strategic industries excepted (e.g. those connected with mining), manufacturing investment is in the future to be wholly supplied by the private sector.

A new Investment Code is at present being drafted. The following details were available at the time of writing:

Foreign companies will be eligible for incentives if they contribute to job creation or use of local natural resources. Eligible firms will be exempt from the employer's contribution to tax paid by general-category employees, and from part of the income tax levied on expatriate staff, if such staff are responsible for training Zairean personnel.

Eligible firms will be exempt from tax on foreign raw materials and semi-finished products and, in certain circumstances, from all import duties and taxes. Local factories supplying eligible foreign firms with equipment will be exempt from indirect taxes.

In addition to the changes in the investment code, substantial changes have been made in import and export duties and taxes.

To attract foreign investment, UNIDO has assisted in the establishment of an export processing zone, the Zone Franche d'Ingra.

5. The scope for rehabilitation

Defining the scope for rehabilitation is difficult in view of the absence of key data, especially for the more recent years, and of the uncertainty with regard to future development. Although the overall economic situation and the performance of industry have improved somewhat, much remains to be done to create stable growth. In the absence of that, the long-term success of rehabilitation projects is uncertain.

The World Bank is to undertake a major in-depth study of the sector to answer those issues. On the basis of this study, the scope for rehabilitation is to be assessed.

Although the available literature contains passing references to on-going rehabilitation projects, the only detailed information on locating projects was found in UNIDO project files.

The above-mentioned industrial planning and promotion project is to contain a rehabilitation component. The overall estimation cost will be US$ 36,341; no details on the project were available yet.

UNIDO has since 1985 been involved in a US$ 775,662 UNDP project to strengthen the financial performance and productivity of public enterprises. The project builds on earlier studies of the management of ten public enterprises, of which only three were obviously involved in manufacturing.

Seven of these enterprises were provided with a management manual and given unspecified technical assistance under the earlier projects. It was intended that the new management concepts would be "diffused" through industry; this project component was not successful.

The 1985 project has three components:

- systematic analysis of public enterprises, preparation of enterprise-level policies and strategies;
- reorganization of work methods and introduction of data processing;
- establishment of a database for public enterprises.

The project was to analyse the performance of 29 public enterprises, most of which do not appear to have been manufacturing-related. The main problems identified were lack of qualified manpower, ignorance of organizational techniques and salaries that were too low to motivate employees. The project resulted in 25 enterprise-level analyses and policy/strategy suggestions. On-the-job training was given to high and middle-level staff of the Département du Portefeuille (which co-ordinates public enterprise). At the enterprise level, training in data-processing was given. Obstacles to the completion of the project were:

- unqualified personnel in key positions;
- uncooperative attitudes among managers and Zairean officials;
- unwillingness to adopt the proposed organization models;
- UNDP/UNIDO organizational problems.

As a follow-up, rehabilitation projects are to be formulated, and a joint World Bank/UNIDO mission is to prepare assistance to management in selected enterprises.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

ZAMBIA

1. General introduction

Although services (combined) accounted for some 45 per cent of GDP in 1985, the Zambian economy is to a large extent dependent on the earnings generated by the mining sector. Copper provided approximately 90 per cent of the country's export earnings. As a consequence of decreasing copper prices in the world market, export earnings have dropped considerably, and <u>per capita</u> GDP decreased from US$ 804 in 1975 to US$ 601 in 1984 (other sources mention figures below US$ 500 for the mid-1980s). With the exhaustion of higher-grade ore reserves, and the continued low world market prices, a reversal of the trend seems unlikely. During recent years, copper exploitation has operated with a deficit. Zambia disposes of a variety of other minerals, a.o. uranium and iron ore, but these are either unexploited or minor contributors to GDP, and a strong increase in their contribution seems unlikely. The mining sector contributed 17.6 per cent to GDP in 1979 and 14.2 per cent of GDP in 1985.

Zambia's economy has in recent years also been affected by South African destabilization in the region. The effects of this have been strengthened by the fact that Zambia, a landlocked country, is dependent on transport routes through South Africa and Mozambique. Zambia has received large amounts of aid from the international donor community to strengthen its economic performance. Aid was tied to a series of conditions such as devaluation, economic liberalization and increased agricultural prices. Domestic social and political pressure has recently led to a reversal of a number of those reforms.

2. The manufacturing sector

Manufacturing accounted for 18.3 per cent of GDP in 1984, a figure that has remained virtually unchanged since the mid-1970s. <u>Per capita</u> MVA however decreased from US$ 152 in 1975 to US$ 110 in 1984. The sector employed 63,000 workers in 1985. The number of small enterprises is in rural areas estimated to be about 350,000, providing employment to about 500,000 persons. These are very small individual or family enterprises of one or two persons each on an average. Two-thirds of them provide only a supplementary income to subsistence farming. About half of the enterprises are forest-based.

The following description of branch shares excludes copper processing, on which - exports excepted - no data were available. The sector is dominated by food products and beverages. The former accounted for 20.1 per cent of gross output in 1985, 11.8 per cent of MVA and 28.1 per cent of employment. The latter contributed 14.1 per cent of gross output, 24.7 per cent of MVA and 5.9 per cent of employment in 1985. Textiles and wearing apparel, tobacco, other chemicals and fabricated metal products are the remaining branches with a significant contribution to GDP. Textiles and wearing apparel is the most important among them, with the following 1985 shares: 12.1 per cent of gross output, 10.9 per cent of MVA and 17.3 per cent of employment.

Structural change in the sector has been minimal during the past the years. Apart from slow growth of MVA shares of the textiles and food and metal products industries, and slow decrease for other chemicals, no perceptible change in these shares is visible over the 1977-1986 period.

The share of public sector enterprises in total output rose from some 10 per cent in 1968 to 60 per cent in 1982; their 1983 share in value added was 56 per cent. Although Government-owned enterprises are found in a wide range of industrial activities, investment is concentrated in food, beverages, textiles and chemicals. The public sector enterprises are on the whole considerably larger than private sector enterprises; this can be deduced from the fact that, they accounted for only 7 per cent of the total number of industrial enterprises in spite of their dominant position in manufacturing. The key public enterprise is the Zambia and Industrial Mining Corporation (ZIMCO) which engages in a wide variety of economic activities; a.o. it mobilizes investment for new industrial ventures. Private enterprise (much of it foreign) dominates in metal products and engineering industries.

Manufactured exports consist for over 90 per cent of copper (refined, bars, wire); the only remaining export of some significance is zinc. Small quantities of building materials are exported to neighbouring countries. Among manufactured imports, machinery and transport equipment stand out, accounting for some 40 per cent of the total. Other manufactures, petroleum products and chemicals are the remaining important manufactured imports.

On the basis of the very limited material available on the development of the manufacturing sector since 1985, it would seem that the largest development potential is found in the beverages and tobacco, textiles and wearing apparel and non-metallic minerals industries. Individual products of the metal working industries (e.g. bicycles) have in recent years been exported in growing numbers to neighbouring countries. Individual food products industries (dairying, meat processing) could expand their share of domestic markets. The Government's current emphasis on foreign exchange saving has stimulated industrialists to more intensively use domestic raw materials. The longer-run consequences of this shift towards domestic resources cannot be overseen yet.

Development of agriculture now being a first priority and production of agricultural output beginning to be geographically redistributed in favour of the rural provinces, there is an undoubted potential for both forward and backward linkages of small industry with agriculture and forestry. Food processing (such as maize milling) and the production of agricultural implements and tools are the obvious examples. Government price policies, however, in certain cases constitute disincentives for the development of the small industry sector.

Prospects for the copper industry do not appear bright, given the exhaustion of resources and world market conditions. A reorientation of production towards higher value-added products might provide a solution, although the capital costs could be prohibitive under the present circumstances.

3. Obstacles to production

Although diversification away from copper production is urgently needed, the lack of financial resources resulting from the industry's decline makes such a restructuring process very difficult. Other problems include shortages of qualified manpower, difficult access to overseas markets, high import dependence of many industries (which is a serious handicap in a period of foreign exchange shortages) and the existence of a considerable number of plants in a.o. the food products sector whose establishment did not take proper account of Zambian production and market conditions.

4. Policies directed towards the manufacturing sector

The Ministry of Industry, Commerce and Foreign Trade is involved in the formulation of national industrial plans, policies and strategies, and ensures that they are executed effectively to achieve the overall national objectives. To this end, it submits policy proposals and specific industrial projects to the National Commission for Development Planning for inclusion in the overall National Development Plan. UNIDO has provided assistance to planning operations and to several Government agencies for industrial development.

Industry has been given a major role in helping the economy to diversify away from copper mining. In the past, capital and import-intensive industries played a key role in development planning, and industry choices were in part determined by political and social rather than economic criteria. Under the last (1979-1983) National Development Plan, the sector was to grow at 8.0 per cent annually, as opposed to 5.5 per cent for agriculture and 1.0 per cent for mining. The objectives were not reached as shortages of foreign exchange emerged during the period. These were a consequence of decreasing copper prices. The situation was worsened by a series of crop failures.

An interim spending programme was presented to aid donors (including the IMF) at a 1984 consultative group meeting. This focused on a speedy injection of capital into mining and especially manufacturing, with the aim of getting existing capacity fully operational, and an upgrading of facilities for agriculture. It envisaged total expenditure of $1,699 mn over the 1984-86 period. On a sectoral basis, industry was the major receiver of funds, with some 3[illegible] per cent of the total.

Most of the key projects envisaged under the programme were under way by 1986. However, the failure of copper prices to meet projections once again combined with the Government's increasing problems with mobilising donor funding after mid-1986, meant that an increasing number began to fall behind schedule.

In 1987, the Government decided not to follow IMF guidelines for structural adjustment any longer. A "self help" recovery programme was announced, which would rely on domestic financing. This was followed by an Interim National Development Programme for 1987-1986. No details were available on the programme, apart from a projected 4.2 per cent growth rate for manufacturing - the highest growth figure for any sector in the economy.

Institutional reforms in recent years include the severance of direct links between industris and parastatals such as ZIMCO. Generally, the emphasis on economic performance criteria has been strengthened. Price controls have been reduced, export stimuli have been introduced and tariffs on imports for manufacturing have been raised to stimulate the use of domestic resources. The 1987 policy reorientation however appears to have reversed many of the measures: price controls a.o., were tightened again.

5. The scope for rehabilitation

The need for drastic overhaul of public sector enterprises is stressed everywhere in the available literature. A major ZIMCO subsidiary, the Industrial Development Corporation (INDECO) group of companies, has been unprofitable since the early 1980s. Capacity utilization has been around 50 per cent, with some enterprises (coffee processing, fertilizers) operating at 20 per cent or less of their capacity.

Major efforts to improve the performance of industrial enterprises were announced in 1984. No details on actual programmes were available, however. It is not even clear that a preliminary study on the subject has been carried out.

A recent UNIDO study on small-scale induystry (SSI) points to weaknesses in the support infrastructure as the main problem that should be remedied. Remedies suggested include better co-operation among SSI development agencies, both those representing the Government and international donors. Better project design is also considered essential. The main shortcomings identified in the SSIs themselves are lack of management and technical skills. Thes can be improved through training programmes. The study does not contain detailed assistance proposals.

One industry-specific 1987 UNIDO study discusses the problems and the possible rehabilitation measures in the co-operative food industry. The processing plants are often under-utilized due to frequent breakdowns, lack of spare parts, weak management, inadequate maintenance, insufficient quantities of raw materials, and transport problems.

Future measures suggested to remedy the current shortcomings and provide a good basis for successful development of the co-operative food industry include the following:

- acquisition of funds for rehabilitation of existing plants through international agencies and bilateral aid;

- technical assistance for preparation of an integrated programme for each food industry subject to rehabilitation;

- provision of management support and technical assistance;

- strengthening and expansion of research and development;

- development of a better understanding and awareness of the importance of food hygiene in the integrated chain of activities in food-processing industries.

6. Recommendations for UNIDO follow-up action

A first step would be to analyse the results of the 1984-86 interim programme and to acquire better insight in recent policies. This would include an analysis of the 1987-1988 Interim Development Programme. The consequences of the 1987 break with the IMF must also be assessed.

Against this background, an assessment of viable projects in the domestic resource-based industries and some of the engineering industries could be made, specifically:

- food processing;
- non-ferrous metals;
- agricultural implements;
- textiles;
- non-metallic minerals.

ZIMBABWE

1. General information

Prior to independence in 1980, the Zimbabwean economy was characterized by a growing South African influence and an accelerated import-substitution policy. By the late 1970s, however, an increasing proportion of resources was channelled to military uses, leaving Zimbabwe with a legacy of under-investment. Zimbabwe's economy also suffers from disruption of the external transport links which in recent years has increased its dependence on the South African transport system.

Per capita GDP decreased from US$ 761 in 1975 to US$ 642 in 1984, but has recently risen again: the 1986 figure was US$ 680. The largest contributor to GDP is services, with 53.4 per cent in 1984. The agricultural sector's share is unusually low by African standards: 13.8 per cent (1984). The country's major foreign exchange earner is mining - a wide range of minerals, from gold and asbestos to strategic metals such as nickel and chrome is exported. The great diversity of products has helped the industry to limit the negative effects of the depression in world raw material markets.

2. The manufacturing sector

Zimbabwe's industrial sector is unusually large and diversified by African standards. *Per capita* MVA was US$ 194 in 1984, up from US$ 185 in 1985. With a 21.1 per cent GDP share in 1984, it ranked second after the services sector. Total formal sector employment was 165,700 in 1985. The sector was the largest contributor to net employment creation in recent years. The country is known to have a large informal manufacturing sector, but details were not available.

Zimbabwe disposes of a wide range of industries and inter-industry linkages are unusually well developed for sub-Saharan Africa. The most important industrial branches in 1985 were, according to UNIDO data, food products and beverages, textiles and wearing apparel, iron and steel and fabricated metal products. Food products and beverages dominated with 29.6 per cent of gross output, 23.3 per cent of MVA and 19.4 per cent of employment. Textiles and wearing apparel followed with 14.1 per cent of gross output, 13.5 per cent of MVA, and 21.1 per cent of employment. Iron and steel, finally, accounted for 7.8, 7.6 and 8.7 per cent.

Incomplete Zimbabwean data on branch-level production show a different picture for 1986: metal and metal products dominate with 25.8 per cent of output; it is followed by food and beverages (22.5 per cent), textiles and clothing (22 per cent) and chemicals (13.6 per cent).

Production tends to be dominated by large firms. In 1982, 7.8 per cent of all manufacturing firms produced 41 per cent of output. Public ownership is not very important, excepting the textiles, foodstuffs and to a certain extent the metal products industries. Foreign ownership accounts for approximately 48 per cent of total investment, and dominates in metal products, chemicals and petroleum products, paper and printing and drinks and tobacco.

Structural changes, as measured by output, have not been very pronounced during the 1975-1985 period, according to UNIDO data. The most conspicuous grower was the food products branch, increasing its share from 19.7 to 23.9 per cent. The strongest decline was registered in iron and steel, which decreased from 10.4 to 7.8 per cent. In value-added terms, the changes were stronger: an increase from 10.3 per cent to 14.6 per cent for food products, a decrease from 12.8 per cent to 7.6 per cent for iron and steel.

Some of the future development trends can be identified with reasonable certainty. The decline in iron and steel is likely to continue as a consequence of the shift towards higher value-added metal products. The food products sector could in principle continue growing as it disposes of a good raw material base, the result of successful agricultural policies. However, three successive years of drought in the mid-1980s have weakened agricultural production.

Other trends in the development of the sector are less easily identified, partly as a consequence of the irregular year-by-year growth patterns. Individual industries that have been doing well in the last few years are cotton textiles, footwear, rubber products and transport equipment.

Manufactures account for some 40 per cent of Zimbabwe's exports. Metals and metal products dominate, with ferro-alloys as the most important single product. Textiles follow; there is a clear shift towards higher value added textile exports. Processed food is the remaining major category. Manufactured imports mainly consist of energy products, machinery and parts (for assembly) and basic chemicals for further processing. Zimbabwe has the largest industry of all member countries of the Southern African Development Co-ordination Conference (SADCC). The country has become an important exporter to the region. It is likely that a further strengthening of SADCC will enhance Zimbabwe's role as a supplier of manufactured goods; this would in turn influence the future growth trends of the various industries.

3. Obstacles to production

The unstable political situation in the region, combined with Zimbabwe's landlocked position, are the main obstacles to further growth of industry. Defence spending is high, and therefore less finance is available for development. Private investment is low due to the instability in the region and difficulties in obtaining foreign exchange for the purchase of equipment and inputs. These foreign exchange restrictions are also the cause of the growing obsolescence of capital equipment. An increase in foreign exchange earnings to match the growing need is unlikely as world markets for most mining products remain depressed.

4. Policies directed towards the manufacturing sector

While the Ministry of Finance, Economic Planning and Development formulates the overall policies that determine the industrial environment, the Ministry of Industry and Technology is directly responsible for industrial planning. The first post-independence formulation of industrial policy is to be found in the Transitional National Development Plan, 1982/83-1984/85. The objectives for manufacturing included the expansion of the sector and the intensification of linkages; the enhancement of competitiveness; the promotion of labour-intensive technologies; further import substitution; training and upgrading of staff; decentralization; increased local participation, ownership and control; and energy efficiency. As a consequence of world recession and the obstacles to overseas trade (and to an extent of insufficient capability in the Ministry of Industry to handle the complex tasks), these objectives were only partly realized.

The experience gathered during the Transitional Plan period (which was a.o. extensively analysed in a 1985 UNIDO study, resulting in policy recommendations to the Government) formed the basis for the 1986-1990 First Five-Year National Development Plan. In the Plan, the manufacturing sector is characterized as "... the key sector for changing the structure of the Zimbabwean economy and for achieving rapid and sustained overall economic growth and development." In the long run, the sector will have to replace mining as the major foreign exchange earner. The projected annual average growth rate of the sector is 6.5 per cent, which is to lead to a share of GDP of almost 30 per cent by 1990. Investment over the period is to be $1,390 million, of which 30 per cent in the public sector. The projected annual average growth rate of exports (8.2 per cent) is well above that for the sector as a whole.

Many of the structural weaknesses of Zimbabwe's manufacturing sector (a.o. the high dependence on imported inputs and oligopoly and monopoly tendencies) will be addressed through institutional action, particularly through the Industrial Development Corporation (IDC), the Small Enterprise Development Corporation (SEDCO), and local authorities, in order to encourage decentralization, small-scale industries and wider ownership.

Scientific and technological progress will stress the examination of technological processes, changes in the structure of the economy, and the mastery and adaptation of imported technology.

An outline of Government policy in the field of foreign investment was published in 1982. The criteria for examination of proposals include contribution to managerial or technological expertise, training, employment promotion, improvement in quality or range of goods or services, promotion of rural development, export promotion or import substitution, and research and development. Preference is given to joint ventures.

The new National Plan gives more explicit commitment to foreign investment, and recognizes the need for a "clear statement of policy on foreign investment, joint-ventures and transfer of technology, including re-examination of legal issues involved." A total of $200 million of direct foreign investment in joint ventures with the Government and local companies is projected for the Plan period, especially in natural resource exploitation, fuels and chemicals (including fertilizers).

Zimbabwe is a prominent member of SADCC. Although apparently no specific SADCC-oriented industrial investment has taken place yet, a number of industrial projects in the textile, chemicals and plastics, steel and paper industry have been identified.

5. The scope for rehabilitation

The overall performance of Zimbabwe's industry has been good, considering the constraints that the sector faces. Peace and improvements in external transport connections would make an essential contribution to stable growth in the sector. Stabilization in the region would make funds available for development that are now needed for defence, and it would also help to attract more foreign investment.

If the present external constraints on industrial development are not removed, rehabilitation of a large number of plants is likely to become necessary in the short to medium term. Worn-out capital and shortage of spare parts were mentioned as operational problems by 76.7 per cent of the industries in a Confederation of Zimbabwean Industry survey held in the mid-1980s. Rather than seeking a technical solution to plant deterioration, a 1987 World Bank study suggests the following policy changes:

- devaluation of the Zimbabwean dollar to make exports more competitive;
- liberalization of the foreign exchange allocation system;
- investment deregulation;
- trade and pricing liberalization;
- reduced Government spending.

In one case, that of the major steel and iron producer, the Zimbambwean Iron and Steel Company (ZISCO), an actual rehabilitation of plant is suggested, coupled to measures to cut operation costs. There was no information on a possible follow-up of the suggestions contained in the World Bank report. Partial rehabilitation, specifically the modernization of electrical equipment for ZISCO's Bar Rod Rolling Mill, is however to be undertaken under a US$ 2.000.000 UNDP UNIDO programme. This is connected to a Bar Rod Rolling Mill Automation project completed by UNIDO in 1987.

6. Recommendations for UNIDO follow-up action

No particular follow-up action recommended.

CONCLUSIONS

There is a sizeable number of industries in need of rehabilitation in Africa. There is virtually no country on the continent where one would not be able to find industrial enterprises in need of rehabilitation. However, REGs pre-diagnostic country level surveys of the rehabilitation needs of African manufacturing industry can only cover a limited number of countries. Hence a selection of countries for the surveys must be made. The country overviews presented in this report are the basis for that selection.

For an appropriate selection of countries, a comparison of the scope for rehabilitation across countries is required. The scope for rehabilitation will, in broad terms, depend on two sets of factors: one set pertaining to the country itself and the other to the manufacturing sector. For the purposes of this report, we have ranked countries according to three criteria, two of which are explicitly related to the manufacturing sector.

- macro-environment
- potential role of manufacturing
- size of the manufacturing sector's problem

Macro-environment refers to all political, macro economic and financial factors influencing the scope for industrial rehabilitation in a country. This will include the political stability; the strength and capacity of the political structure to deal with crises and to administer foreign aid; and the economic and financial policies of the government, particularly with regard to foreign exchange availability.

Countries that receive the highest score for macro-environment are not necessarily the countries where there is the best scope for UNIDOs rehabilitation programme. For example, Algeria has been given the maximum score for its macro-environment but is not recommended for UNIDO follow-up action, while Angola is recommended for UNIDO follow-up action, despite being assigned a very low score for its macro-environment.

Both the potential role of manufacturing and the size of the sector's problem specifically relate to the manufacturing sector and at the same time take into account the need for industrial rehabilitation. The better the general state of the country, the greater the scope for rehabilitation will be. But one must also consider the need for it. In this context it is not the need for development assistance in general that is of concern, or even industrial development per se, but the need for assistance in rehabilitating manufacturing industries. This need will depend on many factors, but one of the most important will be the size of the manufacturing sector.

The size of manufacturing - both in absolute and relative terms - will always be crucial in determining the scope for rehabilitation. It is therefore proposed that the size of the sector should be made an explicit criterion for the selection of candidate countries. The scheme used here is, however, in one sense more crude and at the same time more complex than if the size of the manufacturing sector was used in a straightforward fashion. It is cruder in the sense that there no exact method was applied in assigning individual scores - only professional judgement. At the same time it is somewhat elaborate in the sense that a division is made between on the one hand the size of the manufacturing sector, and on the other hand the role of manufacturing for the future development of the country.

The point of using two criteria explicitly related to the manufacturing sector is that, while the size of manufacturing may be large today, its need for rehabilitation may not be overwhelming. Also the sector's development may not necessarily be the most pressing problem for the continued development of the country. It follows then that even if the size of the manufacturing may be small - which is the case for many small African countries - manufacturing may be critically important for the country's future development. Thus the need to rehabilitate a country's manufacturing sector, even for a small country may be crucial.

Algeria and Angola are good illustrations of the difference between the respective criteria "potential role of manufacturing" and "size of the sector's problem". Algeria has a fairly large manufacturing sector, but has been assigned low scores on both criteria because manufacturing is neither in desperate need of rehabilitation, nor will development of manufacturing industries be the most pressing development problem facing Algeria in future years (increased agricultural production is at least as important). Angola has been assigned high scores on both criteria, since it has a fairly large manufacturing sector with an urgent need for (foreign assisted) rehabilitation. A fully functioning manufacturing sector is also crucial for its future development.

In some cases, the score given on the basis of these two criteria will differ. Egypt, for instance, is perceived to crucially depend on its manufacturing sector for its development and therefore is assigned a high score for "role of manufacturing". On the other hand, Egypt receives a fairly low score for "size of the problem", simply because rehabilitation as such does not seem to be at the heart of Egypt's development problem.

For each factor a potential maximum score of five points has been assigned per country. The result is shown in Table 1. It should be emphasised that the ranking is neither complete nor exact, but a crude way of arranging the countries in an order that illustrates the selection made or to be made. It should also be kept in mind that the table was constructed after the scope for rehabilitation had been assessed, and the recommendation made for each individual country. Another way to look at the table is, therefore, to regard it as an illustrative summary of the individual country assessments.

In some cases the scores in Table 1 may be at odds with common perceptions. This is because they are based more on expectations of future events than on the present situation. This is keeping with the notion that rehabilitation is a dynamic and forward looking concept. To restore industry back to what it was will not be sufficient. The world has changed and the conditions for

Table 1. AFRICA - OVERVIEW OF SCOPE FOR REHABILITATION

Country	Macro environment	Potential role of manufact'g	Size of sector's problems	Total
Algeria	5	2	1	8
Angola	2	4	5	11
Benin	3	2	3	8
Botswana	4	2	2	8
Burkina Faso	3	2	4	9
Burundi	2	2	3	7
Cameroon	3	4	4	11
Cape Verde Islands	4	2	2	8
Central Africa Rep.	3	2	2	7
Chad	2	2	3	7
Comoros	2	1	1	4
Congo	4	3	2	9
Côte d'Ivoire	4	3	4	11
Djibouti	4	2	1	7
Egypt	3	5	2	10
Equatorial Guinea	4	2	3	9
Ethiopia	1	3	5	9
Gabon	3	3	2	8
Gambia	2	2	3	8
Ghana	4	3	4	11
Guinea	3	2	4	9
Guinea Bissau	2	2	3	7
Kenya	3	4	3	10
Lesotho	3	3	2	8
Liberia	2	2	3	7
Libya	3	4	1	8
Madagascar	2	3	4	9
Malawi	3	2	3	8
Mali	3	2	2	7
Mauretania	4	2	2	8
Mauritius	5	5	2	12
Morocco	4	4	4	12
Mozambique	1	3	5	9
Namibia	1	2	1	4
Niger	3	1	2	6
Nigeria	2	5	4	11
Rwanda	2	4	3	9
Sao Tomé	2	2	2	7
Senegal	3	4	3	10
Seychelles	4	2	1	7
Sierra Leone	1	3	3	7
Somalia	2	2	2	6
Sudan	2	3	4	9
Swaziland	1	5	3	9
Tanzania	2	3	4	9
Togo	1	3	5	9
Tunisia	5	4	2	11
Uganda	3	2	4	9
Zaire	1	3	4	8
Zambia	3	5	4	2
Zimbabwe	4	5	2	11

Macro-environment	(Potential) role of Manufacturing	Size of sector's problem
1 ----------- 5	1 ------------ 5	1 ------------ 5
bad good	small major	small serious

manufacturing have changed. Therefore rehabilitation must take into account expected future changes. Otherwise the rehabilitation exercise might lead the industry back to what it was before the rehabilitation started - which could be in the doldrums. The inability to cope with changes in the external conditions may have been the cause of the industry's poor performance in the first place.

As shown in Table 1, the scores range from four points for countries like the Comoros and Namibia up to twelve points for Mauritius, Morocco and Zambia. These countries with the highest scores are closely followed by Angola, Cameroon, Côte d'Ivoire, Ghana, Nigeria, Tunisia and Zimbabwe with eleven points and Egypt, Kenya and Senegal with ten points.

Mauritius which together with Algeria and Tunisia receives the highest score for the macro-environment, depends crucially on the development of its sugar industry which is in great need of rehabilitation. But because the World Bank is already engaged in rehabilitating Mauritius' sugar industry, it is not recommended for UNIDO follow-up action.

Morocco is heavily indebted and involved in an armed conflict. The four points given for macro-environment may therefore seem high. On the other hand, despite the conflict, the political situation seems stable; the repeated reschedulings of the foreign debt have been restricted to old debt (i.e. the so-called cut-off date has not been moved) and the economic prospects are relatively favourable. The relatively high score for the macro-environment is in other words looking to the future rather than towards the present situation. As for the manufacturing sector, Morocco has a long established manufacturing tradition, but due to the economic recession in later years there is a vast need for rehabilitation. Food processing and textile industries will be major candidates for rehabilitation work.

Zambia does not receive a high score for the macro-environment partly because of its high debt burden and its struggle to implement a structural adjustment programme. But it does score high both in terms of the potential role of manufacturing and the size of the sector's problem. This is because its copper based manufacturing sector does have serious problems some of which UNIDO could assist in alleviating. The problems are partly due to the world market for copper, partly due to lack of new investments but also due to lack of proper maintenance. The primary candidate industries for UNIDO-assisted rehabilitation are expected to be found in the non-ferrous metals industry, but some textiles, agricultural tools, food processing and non-metallic minerals industries are also expected to display considerable scope for rehabilitation.

Angola receives a high combined score primarily because the need for rehabilitation is so pronounced and because the country has considerable idle manufacturing capacity. The crucial factor is the security situation, which keeps the score for macro-environment low. Provided the security situation can be managed, however, UNIDO-assisted rehabilitation is warranted in most industries especially food processing, textiles and small and medium scale metal works and machinery shops.

Cameroon has been assigned a medium score of three for its macro-environment. The main reason is the adverse effects of the oil market slump in combination with problems confronted in adjusting policies to the changed economic conditions. Even with this taken into account, however, the score is rather low. This indicates a somewhat pessimistic outlook for Cameroon relative to its experience in recent years when the country did very well - and not only by Sub-Saharan standards. The small but varied manufacturing sector is expected to show substantial scope for rehabilitation in food processing and wood industries, among others.

Côte d'Ivoire has showed a mixed performance in combating its sizeable foreign debt in recent years. It is assigned four points for its macro-environment on the basis of its political situation, promising signs of improvement in debt servicing, and its outward looking policies. Although the manufacturing sector is not large, it does have significant problems, which accounts for its high score. For the future, a reduced dependency on cocoa and coffee is essential to stimulate the development of the manufacturing sector. The food processing and the textiles industries seem likely candidates for UNIDO-assisted rehabilitation.

Ghana has come a long way among Africa's debt-ridden countries in terms of implementing IMF-supported structural adjustment programmes. The political situation is also relatively encouraging, rendering a score of four for its macro-environment. Among Ghana's current policies are elaborate plans for industrial rehabilitation. A key issue regarding Ghana is, therefore, what role UNIDO could play in assisting in the implementation of these plans for rehabilitation.

Nigeria receives a high combined score of eleven despite a low score of two for its unstable and debt-ridden macro-environment. This is so because the country has such a large manufacturing sector, whose importance extends beyond the borders of Nigeria itself. Prime candidate industries for UNIDO-assisted rehabiliatation are expected to be found within agro-based industries, petrochemicals and industries producing essential inputs, spare parts and equipment for other industries.

Tunisia is, along with Algeria, the country receiving the highest score for its macro-environment on account of its political stability as well as its management of the economy. In terms of the potential role of manufacturing, Tunisia also scores fairly high. The score for the sector's problems is also rather high. Although there is, therefore, scope for rehabilitation, Tunisia is not among the countries recommended for UNIDO follow-up action, since Morocco shows better scope for rehabilitation and it is not conceivable that two North African countries would be included among the six or so African countries chosen for UNIDO assistance (see also below).

Zimbabwe has also received a score of eleven. This is primarily because Zimbabwe's future critically depends on its manufacturing sector. The score of four points for the macro-environment probably is on the high side given its vulnerability to regional conflicts. At the same time, the problem of the manufacturing sector is substantial, and the two points given may be on the low side. Zimbabwe is, however, not recommended for UNIDO follow-up action, since other donors are assisting Zimbabwe in its efforts to upgrade domestic industries (see also below).

The next set of countries in terms of the ranking in Table 1 are Egypt, Kenya and Senegal with ten points each.

Egypt has recently plunged into a series of probable debt reschedulings and cumbersome negotiations with the IMF and its major creditors. Given the magnitude of these problems it has been assigned only three points for macro-environment. The size of the sector's problem is huge, but it is not just a matter of rehabilitation of plants as much as policies conducive for renewed industrial growth, and therefore only two points are assigned for the criteria "size of the problem". Egypt is critically dependent on its manufacturing sector, and therefore is assigned five points for that criteria. Barring specific requests from Egypt's government, Egypt is not recommended for UNIDO follow-up action within this project (see also below).

Kenya scores slightly above average primarily because it has a substantial manufacturing tradition and therefore has many industries in need of rehabilitation, mostly within food processing where there is a good export potential. The macro-environment has been assigned three points, with increasing difficulties of maintaining adequate access to foreign exchange being the most adverse circumstance.

Senegal has a relatively large manufacturing sector perceived as potentially of great importance for the future development of the country. Therefore, Senegal has been assigned four points for that criterion. In terms of candidate industries the fish processing, building materials and textiles and leather industries stand out in the material covered for this report. It is recommended that Senegal be the subject of further study.

Given the crudeness of the scoring, a difference of one or two points is not crucial and also other countries with nine points might be selected for UNIDO follow-up action if other considerations warrant it. Worthwhile mentioning among such other countries are Congo, Equatorial Guinea, Ethiopia, Guinea, Madagascar, Mozambique, Rwanda, Sudan, Tanzania and Togo. It might even be wise to keep some of these countries on "hold" until more information is collected regarding the scope for UNIDO follow-up action in some of the higher scoring countries.

It must be remembered that the table does not provide a complete basis for the final selection of countries for UNIDO follow-up action. The final selection of countries must take into consideration other factors - notably regional - than those covered by the criteria used for the ranking in Table 1. For instance, all countries in a region of Africa may display considerable scope for UNIDO-assisted rehabilitation, but not all can be selected, since most - if not all - regions ought to be represented in the UNIDO programme. For this reason neither Tunisia nor Egypt is recommended for immediate follow up action, since Morocco shows the best scope for rehabilitation among the Northern African countries.

Another consideration, which at least on the margin may influence the final selection, is the interest the governments themselves take in this UNIDO pre-diagnostic programme for assessing the need for rehabilitation. The interest may be slight because another donor is providing the necessary assistance. In the case of Mauritius, for example, the scope for rehabilitation is ranked very high, but yet the country is not recommended for UNIDO follow-up action because the World Bank is already engaged in the only rehabilitation project needed. Given the limited funds at the disposal of UNIDO, the availability of funds from other donors is also an important factor that must be taken into account in the final selection.

To sum up the following countries are recommended for UNIDO follow-up action (in alphabetical order).

Angola	Morocco
Cameroon	Nigeria
Côte d'Ivoire	Zambia
Ghana	

In addition, Kenya and Senegal are perceived to be suitable candidate countries which might also be considered.

STATISTICAL FACT SHEET – PROPOSED FORMAT FOR COUNTRY PROFILES

STATISTICAL FACT SHEET - model

All absolute figures: constant 1980 values

	1980	1981	1982	1983	etc.
GDP					
Per capita GDP					
Manufacturing share of GDP					
Manufacturing labour force					
Gross output of the sector					
Gross output per worker					
Manufacturing value added, total					
Manufacturing value added per worker					
Major manufacturing subsectors:					
gross output share					
MVA share					
MVA/worker					
Total imports					
Total exports					
Manufactured imports: share in total imports					
" exports: " " " exports					
Major manufactured imports					
Major manufactured exports					
Foreign debt					
Foreign debt: share of GDP					
Debt service: share of exports					
Manufacturing share of foreign debt					
Exchange rate against US$					

UNIDO'S APPROVED AND/OR OPERATIONAL TECHNICAL CO-OPERATION PROJECTS IN AFRICA

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Republic of ALGERIA (1)

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Kozlov	J12102	DP/ALG/87/045	Organisation et renforcement des activités de contrôle de qualité des produits industriels
IO/IIS/INFR Mr. Nickels	J12103	DP/ALG/87/016*	Mobilisation de l'ingénierie nationale basée sur la méthode ACT
IO/IIS/PLAN Mr. Richard	J12413	XA/ALG/85/601*	Assistance à l'Institut supérieur de gestion et de planification (ex RP/ALG/85/601) (IDDA)
IO/IIS/PLAN Mr. Richard	J12413	XA/ALG/86/637	Renforcement des capacités de recherche, de formation et de consultation de l'Institut Supérieur de Gestion et de Planification (ISGP) dans les domaines de la planification et de la gestion du secteur public industriel (IDDA)
IO/SD/FEAS Mr. d'Adesky	J12517	DP/ALG/86/021	Etude de pré-investissement et promotion de projets industriels (EDIL) - preparatory assistance
IO/SD/FEAS Mr. d'Adesky	J12517	DP/ALG/86/022*	Développement et promotion des industries de loisirs (DEJIMAS)
IO/SD/FEAS Mr. d'Adesky	J12517	DP/ALG/86/019*	Assistance à l'Institut supérieur de gestion et de planification dans l'élaboration d'une méthodologie d'évaluation et de selection des projets d'investissement
IO/T/MET Mr. Grebtsov	J13208	SI/ALG/86/883	Assistance immédiate à SIDER: solutions des problèmes de gestion de la production et de la maintenance
IO/T/ENG Mr. Gürkök	J13312	DP/ALG/86/009*	Développement des capacités de l'Entreprise nationale d'organisation et d'information (ENORI) en matière de consulting industriel
IO/T/ENG Mr. Fritz	J13316	DP/ALG/85/003	Assistance à l'Institut national d'étude et de recherche en maintenance (INMA) - assistance préparatoire
IO/T/CHEM Mr. Kopytowski	J13420	DP/ALG/86/008*	Plan directeur de développement de l'industrie chimique (multifund to DC/ALG/86/008)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Republic of ALGERIA (2)

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/T/CHEM Mr. Oxley/Mr. Youssef	J13420	SI/ALG/87/802	Assistance technique dans l'identification des contraintes techniques des usines d'ammoniac et d'engrais azôtés et phosphatés puis leur résorption et l'amélioration de leurs performances
IO/T/CHEM Mr. Oxley/Mr. Youssef	J13420	SI/ALG/87/803	Assistance technique à l'industrie pétrochimique en Algérie pour l'amélioration de ses performances et l'élargissement de ses productions
IO/T/CHEM/PH Ms. Quintero de Herglotz	J13422	PF/ALG/86/P01	Assistance technique en vue de la production de contraceptifs oraux
IO/T/CHEM/PH Ms. Quintero de Herglotz	J13422	DP/ALG/86/007	Etude sur la production d'articles de conditionnement en verre et plastique pour l'industrie pharmaceutique
IO/T/CHEM/PH Ms. Quintero de Herglotz	J13422	DP/ALG/86/010*	Mise en oeuvre du plan de développement de l'industrie pharmaceutique
IO/T/CHEM/PH Ms. Quintero de Herglotz	J13422	DC/ALG/87/025	Etablissement d'une usine-pilote pour le production de solutés de perfusion intraveineux (multifund to DP/ALG/87/025)
IO/T/CHEM/PH Ms. Quintero de Herglotz	J13422	DP/ALG/87/025**	Etablissement d'une usine-pilote pour le production de solutés de perfusion intraveineux (multifund to DP/ALG/87/025)
PPD/SPA/ECDC	E04100	DP/ALG/87/023	Meeting on co-operative arrangements among developing countries on agricultural machinery, Algiers, 5 - 7 October 1987
IPCT/DTT/INF	G03100	DP/ALG/86/023*	Développement des capacités de l'Entreprise nationale d'organisation et d'information (ENORI) en matière d'information industrielle

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Republic of ANGOLA

Backstopping Responsibility	Progr. Element	Project Number	Project Title
IO/SD/FEAS Mr. Klykov	J12516	US/ANG/87/075	Opportunity study for the establishment of a production capacity of wind-driven water pumps in Angola
IO/SD/FEAS Mr. Klykov	J12517	DP/ANG/85/003*	Establishment of a unit for preparation and analysis of industrial projects (phase I)
IO/T/AGRO Mr. Antinori	J13103	DP/ANG/86/004**	Assistance in the rehabilitation of the bread production chain
IO/T/AGRO Mr. Galat	J13103	SI/ANG/86/830	Techno-economic pre-feasibility study - conversion of sugar enterprise into agro-industrial complex
IO/T/ENG Mr. Sharapov	J13314	SI/ANG/87/802	Technical assistance in the reconstruction of fabrica 'F.I.D.R.O. de Angola' for production of vehicles for food transportation and mobile refrigerators
IO/T/ENG Mr. Sharapov	J13316	DP/ANG/82/020*	Maintenance and repair centre (phase III) (Associated Agency: UNV)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Republic of BENIN

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Tourou	J12103	DP/BEN/86/004	Assistance à l'étude de factibilité d'un dispositif de promotion des petites et moyennes entreprises
IO/IIS/PLAN Mr. Richard	J12413	DU/BEN/83/010*	Assistance à la planification nationale du développement économique et social
IO/SD/FEAS Mr. Kurowski	J12516	DU/BEN/86/002	Projet d'appui au programme de coopération avec le PNUD et ses fonds associés
IO/SD/FEAS Mr. Kurowski	J12518	US/BEN/85/197	Séminaire de formation concernant le modèle informatique pour l'analyse et l'évaluation des études de faisabilité (COMFAR)
IO/T/MET Mr. Nogueira da Silva	J13208	US/BEN/85/027	Etude de préfaisabilité pour l'installation d'une mini-aciérie (related to US/GLO/85/019)

* Large-sc 'e project (= total allotment $.50,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of BOTSWANA

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/IMR Mr. Assabine	J12206	SI/BOT/87/801	Productivity improvement of Thusano Workers Cooperative through upgraded products design, quality control and marketing - Botswana
IO/SD/FEAS Mr. Suzuki	J12517	DP/BOT/85/002*	Assistance to the Project Research Unit
IO/T/AGRO Mr. Eräneva	J13102	DP/BOT/86/002*	Establishment of a knitwear factory in Lobatse
IO/T/CHEM Mr. Hagan	J13419	TF/BOT/86/001	Associate expert (Mr. Arndt)
IO/T/CHEM Mr. Hagan	J13419	DP/BOT/84/001*	Assistance to the small-scale Portland Pozzolana Cement Plant (multifund to SM/BOT/84/001)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 mi on or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

BURKINA FASO

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/SD/FEAS Mr. Kurowski	J12516	US/BKF/85/162	Etude de faisabilité pour l'établissement d'une unité de formulation de produits phytosanitaires (related to US/GLO/85/019)
IO/T/ENG Mr. Seidel	J13312	SI/BKF/87/802	Assistance d'urgence pour le démarrage des activités de reconditionnement de fabrication des pièces de rechange des machines agricoles (see also XA/BKF/86/615)
IO/T/ENG Mr. Seidel	J13312	XA/BKF/86/615*	Renforcement des capacités d'entretien et de réparation pour le parc de tracteurs agricoles et autres équipements mobiles et lourds (see also SI/BKF/87/802) (IDDA)
IO/T/ENG Mr. Fürkus	J13316	SI/BKF/87/801	Identification et mise en place d'une structure d'intervention pour la réflection des points d'eau villageois
IO/T/CHEM Mr. Biering	J13419	US/BKF/83/058*	Rehabilitation of the brickworks VOLBRICERAM
IO/T/CHEM/PH Mr. Lanet	J13422	US/BKF/81/057*	Assistance à la production de produits pharmaceutiques à partir de plantes médicinales sélectionnées
PPD/SPA/ECDC	E04101	UC/BKF/87/062	Establishment of a tannery: construction and operation of the plant, co-operation between Burkina Faso and Yugoslavia (in co-operation with IO/T/AGRO)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of BURUNDI

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Tourou	J12103	DP/BDI/86/009	Assistance préparatoire au Centre de promotion industrielle
IO/IIS/INFR Mr. Tourou	J12103	DP/BDI/81/008**	Industrial promotion and transfer of technology (multifund to ST/BDI/81/001)
IO/T/AGRO Mr. Buljan	J13104	SI/BDI/86/906	Assistance in operating the tannery effluents treatment plant in Bujumbura (multifund to UC/BDI/87/011)
IO/T/AGRO Mr. Buljan	J13104	UC/BDI/87/011	Assistance in operating the tannery effluents treatment plant at Bujumbura (multifund to SI/BDI/86/906)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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UNIDO's Approved and/or Operational Technical Co-operation Projects
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Republic of CAMEROON

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Pavlik	J12101	DP/CMR/86/018*	Information industrielle
IO/IIS/INFR Mr. Nickels	J12103	DP/CMR/87/004	Développement des petites et moyennes entreprises - preparatory assistance
IO/IIS/INFR Mr. Nickels	J12103	DP/CMR/84/006*	Promotion petites et moyennes entreprises
IO/IIS/IMR Mr. Bassili	J12209	DP/CMR/87/005	Industrie du bois - preparatory assistance
IO/SD/TRNG Mr. de Moustier	J12311	US/CMR/86/270	Formation en groupe à la maintenance industrielle au Cameroun, 23 November - 11 December 1987, 18 - 29 January 1988
IO/IIS/PLAN Mr. Richard	J12413	DC/CMR/83/001	Plan directeur d'industrialisation (multifund to DP/CMR/83/001)
IO/IIS/PLAN Mr. Richard	J12413	DP/CMR/83/001**	Assistance à l'élaboration d'un plan directeur d'industrialisation (Associated Agency: UNCTAD) (multifund to DC/CMR/83/001)
IO/SD/FEAS Mr. Kurowski	J12516	DP/CMR/87/001	Préparation et évaluation d'études pré-investissement
IO/SD/FEAS Mr. Kurowski	J12516	XP/CMR/88/007	Etude de pré-faisabilité pour l'exploitation forestière et établissement des scieries (financement du voyage international de 3 experts chinois)
IO/T/CHEM Mr. Biering	J13419	DP/CMR/86/020	Matériaux de construction
PPD/IPP/STAT	E03401	DP/CMR/87/011	Assistance à la préparation des statistiques industrielles

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of CAPE VERDE

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/IMR Mr. Bassili	J12209	UC/CVI/87/016	Assistance for quality control of imported wood (continuation of XP/CVI/86/047)
IO/IIS/PLAN Mr. Richard	J12413	DP/CVI/84/002**	Assistance à la planification et au développement industriels (continuation of DP/CVI/83/005)
IO/SD/FEAS Mr. d'Adesky	J12517	XP/CVI/86/090	Séminaire de formation concernant l'analyse des projets industriels
PPD/SPA/ECDC	E04100	UC/CVI/87/018	Assistance to the shoe factory of the 'Société de Production de Chaussures (SOCAL)'

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

CENTRAL AFRICAN REPUBLIC

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/T/CHEM Mr. Biering	J13419	SI/CAF/86/877	Assistance à l'industrie de terre cuite

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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UNIDO's Approved and/or Operational Technical Co-operation Projects
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Republic of CHAD

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Tourou	J12103	DP/CHD/83/028*	Assistance à la relance des PMI tchadiennes
IO/SD/FEAS Mr. Klykov	J12516	DP/CHD/83/008*	Etude pour l'établissement d'une cimenterie dans le Mayo-Kebbi
IO/T/CHEM Mr. Biering	J13419	DP/CHD/83/007**	Assistance à la relance de la production des matériaux de construction

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* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Republic of the CONGO

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Tourou	J12103	DU/PRC/84/007*	Assistance to the development of small and medium industries
IO/SD/FEAS Mr. Kurowski	J12517	DP/PRC/83/007*	Bureau central d'expertise et d'évaluation des projets d'investissements (CEPI)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of CÔTE D'IVOIRE

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/IMR Mr. de Pierpont	J12207	DP/IVC/87/018*	Renforcement du crédit de la Côte d'Ivoire pour le suivi et la restructuration des entreprises
IO/IIS/PLAN Mr. Richard	J12413	DP/IVC/87/027	Suivi du schema directeur d'industrialisation
IO/IIS/PLAN Mr. Richard	J12413	DP/IVC/83/005**	Assistance au développement industriel - phase IV (continuation of DP/IVC/79/006) (Associated Agency: ITC)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Arab Republic of EGYPT (1)

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Boutoussov	J12101	DP/EGY/86/026*	Improvement of laboratories for semi-industrial services
IO/IIS/INFR Mr. Chanana	J12103	DP/EGY/86/004	Development of small and medium feeder industries in the automotive manufacturing sector (phase II)
IO/IIS/INFR Mr. Crombrugghe	J12104	UC/EGY/86/042	Assistance to the Engineering Industrial Design and Development Centre (EIDDC) in establishing an industrial sub-contracting exchange (related to DP/RAB/86/001)
IO/IIS/INFR Mr. Chanana	J12106	UC/EGY/87/135	High-level advisory assistance to the private sector
IO/IIS/IMR Mr. Khan	J12208	DP/EGY/81/028*	Industrial consultancy services (Associated Agency: ILO)
IO/T/AGRO Mr. Eräneva	J13102	DP/EGY/86/010*	To establish a national garment, fashion and design centre
IO/T/AGRO Mr. Sepic	J13103	DP/EGY/81/010*	Sugar cane training and development centre
IO/T/AGRO Mr. Koenig	J13103	DP/EGY/86/002*	Food development centre
IO/T/AGRO Mr. Berg	J13104	US/EGY/87/084	Survey of selected shoe factories
IO/T/MET Mr. Grebtsov	J13208	DC/EGY/85/004	Intercountry programme for managed maintenance systems in metallurgical and other industries in Africa (multifund to DP/EGY/85/004)
IO/T/MET Mr. Grebtsov	J13208	DP/EGY/85/004	Intercountry programme for managed maintenance systems in metallurgical and other industries in Africa (multifund to DC/EGY/85/004)
IO/T/MET Mr. Grebtsov	J13210	DC/EGY/85/002	Energy conservation in metallurgical, glass and other industries (multifund to DP/EGY/85/002)
IO/T/MET Mr. Grebtsov	J13210	DP/EGY/85/002**	Energy conservation in metallurgical, glass and other industries
IO/T/ENG Mr. Fürkus	J13313	DC/EGY/33/001	Energy conservation in industry (multifund to DP/EGY/83/001)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Arab Republic of EGYPT (2)

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/T/ENG Mr. Fürkus	J13313	DP/EGY/83/001*	Energy conservation in industry (multifund to DC/EGY/83/001)
IO/T/CHEM Mr. Hagan	J13419	SF/EGY/87/002**	Technical assistance to the Suez Cement Company (Suez Cement Plant)
IO/T/CHEM Mr. Hagan	J13419	SF/EGY/87/005**	Supervisory technical services for the Suez Cement Company (Quattameya Cement Plant)
IO/T/CHEM Mr. Biering	J13419	UC/EGY/83/233	Promotion of bentonite use in agriculture
IO/T/CHEM Mr. Judt	J13420	DP/EGY/87/017*	Pre-feasibility study for production of potassium sulphate at El Max Salines
IO/T/CHEM Mr. Youssef	J13420	DC/EGY/81/029*	Plastics development centre for agricultural purposes (multifund to DP/EGY/81/029)
IO/T/CHEM Mr. Youssef	J13420	DP/EGY/81/029*	Plastics development centre for agricultural purposes (multifund to DC/EGY/81/029)
IO/T/CHEM Mr. Volodin	J13421	US/EGY/87/214	Tenth workshop on fertilizer plant maintenance
IO/T/CHEM Mr. Volodin	J13421	DP/EGY/85/008	Fertilizer development programme - preparatory assistance
IO/T/CHEM Mr. Sugavanam	J13421	DP/EGY/81/006**	Establishment of a multipurpose pesticide pilot plant
PPD/AREA/ARAB	E02201	XP/EGY/87/007	Visit to UNIDO by the Under-Secretary of the Ministry of Industry
PPD/SPA/NGO	E04200	UC/EGY/87/049	Integrated agro-industrial development of the High Dam Region (phase I) (multifund to UD/EGY/87/049)
PPD/SPA/NGO	E04200	UD/EGY/87/049	Integrated agro-industrial development of the High Dam Region (phase I) (multifund to UC/EGY/87/049)
PPD/SPA/STF	E04400	SF/EGY/87/004	Project development facility for engineering for the petroleum and process industries (ENPPI)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-cperation Projects
(approved = PAD issued)

Arab Republic of EGYPT (3)

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IPCT/II/PIF	G01102	UC/EGY/85/247	Investment promotion meeting for Egypt, Cairo, 2 - 6 November 1987 (multifund to UD/EGY/85/247)
IPCT/II/PIF	G01102	UD/EGY/85/247	Investment promotion meeting for Egypt, Cairo, 2 - 6 November 1987 (multifund to UC/EGY/85/247)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Democratic Republic of ETHIOPIA (1)

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Kozlov	J12102	DP/ETH/79/003**	National Quality Control and Testing Centre
IO/IIS/INFR Mr. Kozlov	J12102	DP/ETH/84/006**	National metrology centre
IO/IIS/INFR Ms. Gregor/Mr. Antonio	J12103	DP/ETH/83/012**	Handicrafts and small-scale industry development (phase II of DP/ETH/77/018)
IO/IIS/INFR Mr. Hisakawa	J12105	UC/ETH/85/234	Preparatory assistance for the establishment of pilot industrial centres for drought affected people (multifund to US/ETH/85/234)
IO/IIS/INFR Mr. Hisakawa	J12105	US/ETH/85/234	Preparatory assistance for the establishment of pilot industrial centres for drought affected people (multifund to UC/ETH/85/234)
IO/IIS/IMR Mr. Zaleski	J12207	DP/ETH/83/013**	Industrial project development (phase III) (continuation of DP/ETH/80/013)
IO/SD/FEAS Mr. Suzuki	J12516	DG/ETH/84/001	Ethiopian Centre for Technology (phase II) (participating agency: UNCTAD)
IO/SD/FEAS Mr. Suzuki	J12516	DP/ETH/85/004*	Development of a portfolio for industrial opportunity
IO/SD/FEAS Mr. Suzuki	J12516	XP/ETH/86/003	Feasibility study of a baby food manufacturing complex
IO/SD/FEAS Mr. Suzuki	J12517	DP/ETH/83/001**	Assistance to Industrial Projects Service (IPS)
IO/SD/FEAS Mr. Suzuki	J12517	DP/ETH/84/005*	Development Projects Study Agency (phase II of DP/ETH/80/005)
IO/T/ENG Mr. Fritz	J13316	DP/ETH/83/024**	Engineering and Design Centre (EDC) and Tool Centre (TC)
IO/T/CHEM Ms. Yalçindag	J13419	SI/ETH/88/801	Assistance in the establishment of a pilot gemstone processing unit (phase II of XP/ETH/86/063)
IO/T/CHEM Ms. Yalçindag	J13419	UC/ETH/84/103	Production and application of non-metallic sorbents in agriculture
IO/T/CHEM Ms. Yalçindag	J13419	XP/ETH/86/063	Assistance in the establishment of a pilot gem-stone processing unit (continued under SI/ETH/88/801)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Democratic Republic of ETHIOPIA (2)

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/T/CHEM Mr. Sugavanam	J13421	UC/ETH/85/214	Assistance for the establishment of a pilot pesticide formulation plant in Ethiopia
IO/T/CHEM Mr. Judt	J13423	SI/ETH/87/801	Performance improvement of the Ethiopian Pulp and Paper Company

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAC issued)

Republic of the GAMBIA

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/T/CHEM Mr. Rydeng	J13419	DP/GAM/86/013	Trial batch kiln for lime burning
IO/T/CHEM Mr. Rydeng	J13419	XP/GAM/86/039	Lime industry
IO/T/CHEM Mr. Judt	J13420	DP/GAM/86/008	Salt production and marketing in Darsilami village

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of GHANA

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/IMR Mr. Bassili	J12209	DU/GHA/86/008	Promotion of external trade
IO/IIS/IMR Mr. Bassili	J12209	SI/GHA/86/820	Technical assistance to the Kumasi Furniture and Joinery Ltd. (under completion)
IO/IIS/PLAN Mr. Eckert	J12415	DP/GHA/86/001**	Strengthening industrial planning and programming in support of the Government's industrial sector adjustment programme
IO/T/CHEM Mr. Derrough	J13424	SI/GHA/86/857	Technical assistance for a petroleum products pricing study
IPCT/II/PIF	G01100	SI/GHA/88/801	Assistance in an advisory capacity in the organization of the investment conference to be held in Accra, from 24 - 26 February 1988

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of GUINEA

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Zerezghi	J12105	DP/GUI/87/012	Renforcement des capacités d'assistance à la création et à la réalisation de projets de petites et moyennes tailles
IO/IIS/PLAN Mr. Richard	J12413	DU/GUI/84/007*	Assistance à la capacité de planification et gestion de l'économie nationale
IO/T/MET Mr. Buckle	J13209	DP/GUI/82/009**	Assistance au renforcement du Centre d'entretien et de réparation des équipements industriels à Conakry
IO/T/CHEM Mr. Biering	J13419	UC/GUI/87/037	Assistance à la Section de matériaux de construction du Centre scientifique de Conakry
IO/T/CHEM/PH Mr. Wijesekera	J13422	SI/GUI/86/914	Maintenance and repair of equipment of the Central Analytical Laboratory Matoto (LCAM)
PPD/SPA/ECDC	E04100	XP/GUI/86/107	Study tour to institutions for promotion of industrial projects: co-operation Guinea/Cameroon, Ivory Coast

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of KENYA

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Ms. Taluy	J12103	DP/KEN/86/013*	District Development Profile Studies - Assistance to the Ministry of Industry
IO/IIS/INFR Ms. Taluy/Mr. Antonio	J12103	DP/KEN/84/011*	Assistance to small-scale industries, Kenya Industrial Estates Limited (phase III) (continuation of DP/KEN/81/017)
IO/IIS/INFR Mr. Antonio	J12106	DP/KEN/87/012	Kenya Industrial Training Institute (KITI) entrepreneurship development programme - preparatory assistance
IO/IIS/PLAN Mr. Eckert	J12413	DP/KEN/80/001**	Assistance to the Ministry of Industry (continuation of DP/KEN/74/007)
IO/T/AGRO Mr. Buljan	J13104	US/KEN/84/163*	Leather development centre (LDC)
IO/T/ENG Mr. Gladilov	J13316	DP/KEN/86/048	Establishment of a design and mechanical engineering laboratory of the Kenya Industrial Research and Development Institute (K.I.R.D.I.) - preparatory assistance
IO/T/CHEM Mr. Youssef	J13420	SI/KEN/87/801	Advisory mission on the rehabilitation of 'Synthetic Fibres Kenya Ltd.'
IPCT/II/PIF	G01101	DP/KEN/86/064	Industrial investment programme - preparatory assistance

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Kingdom of LESOTHO

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/LES/84/001	IO/IIS/PLAN Mr. Paschke	J12413	Assistance in industrial planning
DP/LES/86/012	IO/T/MET Mr. Buckle	J13209	Mini-foundry - casting facility

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of LIBERIA

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/LIR/80/007**	IO/IIS/INFR Mr. Hisakawa	J12105	Extension services to small-scale industries (continued under DP/LIR/87/007) (under completion)
TF/LIR/84/001*	IO/IIS/INFR Mr. Hisakawa	J12105	Associate expert (Mr. de Pascale) (multifund to DP/LIR/87/007)
TF/LIR/84/002*	IO/IIS/INFR Mr. Hisakawa	J12105	Associate expert (Mr. Otsuka) (multifund to DP/LIR/87/007) (under completion)
SI/LIR/85/803	IO/IIS/INFR Mr. Hisakawa	J12105	Assistance to the National Bank of L'beria in support of the small-scale industries
TF/LIR/87/001	IO/IIS/INFR Mr. Hisakawa	J12105	Associate expert (Ms. van Oijen)
TF/LIR/87/003	IO/IIS/INFR Mr. Hisakawa	J12105	Associate expert (Mr. Nakano)
DP/LIR/87/007**	IO/IIS/INFR Mr. Hisakawa	J12105	Development of small and medium-scale enterprises (phase II) (continuation of DP/LIR/80/007)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of LIBERIA

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/LIR/80/007**	IO/IIS/INFR Mr. Hisakawa	J12105	Extension services to small-scale industries (continued under DP/LIR/87/007) (under completion)
TF/LIR/84/001*	IO/IIS/INFR Mr. Hisakawa	J12105	Associate expert (Mr. de Pascale) (multifund to DP/LIR/87/007)
TF/LIR/84/002*	IO/IIS/INFR Mr. Hisakawa	J12105	Associate expert (Mr. Otsuka) (multifund to DP/LIR/87/007) (under completion)
SI/LIR/85/803	IO/IIS/INFR Mr. Hisakawa	J12105	Assistance to the National Bank of Liberia in support of the small-scale industries
TF/LIR/87/001	IO/IIS/INFR Mr. Hisakawa	J12105	Associate expert (Ms. van Oijen)
[illegible]/LIR/87/003	IO/IIS/INFR Mr. Hisakawa	J12105	Associate expert (Mr. Nakano)
DP/LIR/87/007**	IO/IIS/INFR Mr. Hisakawa	J12105	Development of small and medium-scale enterprises (phase II) (continuation of DP/LIR/80/007)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Socialist People's LIBYAN ARAB JAMAHIRIYA

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Boutoussov	J12101	DP/LIB/82/003**	Assistance to the Industrial Research Centre (phase III) (continuation of DP/LIB/77/001)
IO/T/MET Mr. Crowston	J13208	SF/LIB/84/004**	Assistance to the General Pipe Company (Benghazi)
IO/T/CHEM Mr. Rydeng	J13419	DP/LIB/86/004**	Assistance in strengthening the Libyan Cement Company, Benghazi (LCC)
IO/T/CHEM Mr. Der Petrossian	J13419	SF/LIB/83/003**	Cement development and training centre
IO/T/CHEM Mr. Der Petrossian	J13419	SF/LIB/85/001*	Assistance to the Zliten Cement Company
IO/T/CHEM Mr. Hagan	J13419	SF/LIB/86/001**	Fatayeh cement factory, Derna (continuation of SF/LIB/81/008)
IO/T/CHEM Mr. Hagan	J13419	SF/LIB/86/002**	Souk El Khamis Cement Factory (continuation of SF/LIB/83/002)
IO/T/CHEM Mr. Rydeng	J13419	DP/LIB/86/003*	Assistance to the Secretariat of Heavy Industries in the co-ordination of technical assistance
IO/T/CHEM Mr. Kopytowski	J13420	SF/LIB/87/001	Preliminary technical assistance to chemical industry development

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of MALI

Project Number	Backstopping Responsibility	Progr.Element	Project Title
CD/MLI/81/C03*	IO/T/ENG Mr. Seidel	J13312	Assistance to EMAMA project (connected with DP/MLI/82/003 and US/MLI/82/051)
DP/MLI/82/003**	IO/T/ENG Mr. Seidel	J13312	Assistance à l'Entreprise Malienne de Maintenance (EMAMA) (phase II) (connected with CD/MLI/81/C03, US/MLI/82/051 and US/MLI/85/258)
DP/MLI/82/014*	IO/IIS/PLAN Mr. Richard	J12414	Assistance à la direction nationale des industries (DNI)
DP/MLI/85/011*	IO/IIS/IMR Mr. de Pierpont	J12207	Choix de technologies appropriées pour nouvelles entreprises industrielles
US/MLI/85/258*	IO/T/ENG Mr. Seidel	J13312	Création d'une unité de production en série de pompes à eau manuelles de type India et Mali (phase II) (connected with CD/MLI/81/C03, DP/MLI/82/003) (continuation of US/MLI/82/051)
DP/MLI/86/018*	IO/IIS/IMR Mr. de Pierpont	J12207	Assistance to the 'Centre d'études et de promotion industrielle' (CEPI) (phase III) (continuation of DP/MLI/82/012)
US/MLI/86/210	IO/IIS/FEAS Mr. Klykov	J12516	Etude de préfactibilité pour l'établissement d'un complexe textile à Bougouni (in co-operation with IO/T/AGRO)
UC/MLI/87/055	IO/IIS/INFR Mr. Pavlik	J12101	Conseil au Gouvernement du Mali sur l'établissement de mécanismes appropriés pour le développement technologique
SI/MLI/87/802	PPD/SPA/ECDC	E04101	Assistance à la Direction nationale des industries pour la formulation et la mise en place d'un système national de normalisation et contrôle de qualité
SI/MLI/87/803	IO/IIS/IMR Mr. de Pierpont	J12207	Assistance pour le diagnostic et la préparation de la réhabilitation de l'Usine le Sika-Mali

* Large-scale project (- total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Kingdom of MOROCCO

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Kozlov	J12102	DP/MOR/86/015*	Assistance dans le domaine de la normalisation, le contrôle de la qualité et la métrology
IO/IIS/INFR Mr. Cannas	J12103	DP/MOR/86/016	Assistance au développement des petites et moyennes industries (PMI) en milieu rural
IO/IIS/INFR Mr. Nickels	J12103	US/MOR/87/173*	Développement de la coopération industrielle entre le Royaume du Maroc et la République Fédérale d'Allemagne dans le domaine des petites et moyennes industries électro-mécanique basée sur l'emploi de la méthode ACT (Analyse de la Complexité Technologique)
IO/IIS/INFR Mr. Crombrugghe	J12104	DP/MOR/87/017	Assistence à l'établissement d'une bourse de sous-traitance et du partenariat dans les Industries Métallurgiques Mécaniques Electriques et Electroniques (IMMEE) (related to DP/RAB/86/001)
IO/T/ENG Mr. Gürkök	J13313	SI/MOR/86/885	Immediate assistance to AGA-Ingénierie for the establishment of computerized engineering data bank
IO/T/CHEM Mr. Youssef	J13420	UC/MOR/87/114	Fact-finding mission in the field of extraction and development of natural rubber from guayule

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Democratic Republic of MADAGASCAR

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/MAG/82/007**	IO/IIS/INFR Mr. Zerezghi	J12105	Promotion de la petite et moyenne industrie (PMI) (under completion)
DP/MAG/82/008**	IO/T/ENG Mr. Seidel	J13312	Programme d'appui en matière de maintenance industrielle (assistance préparatoire)
DP/MAG/82/009*	IO/T/CHEM Mr. Biering	J13419	Promotion des matériaux locaux de construction
DP/MAG/82/010**	IO/IIS/FEAS Mr. d'Adesky	J12517	Etudes de pré-investissement pour le développement industriel
TF/MAG/83/001	IO/IIS/FEAS Mr. d'Adesky	J12517	Associate expert (Mr. Ahlberg)
DP/MAG/84/007*	IO/T/ENG Mr. Seidel	J13313	Programme de recherche/développement en énergies nouvelles et renouvelables
DP/MAG/84/017*	IO/T/CHEM/PH Mr. Wijesekera	J13422	Assistance au Centre national de recherches pharmaceutiques pour la fabrication de produits pharmaceutiques à partir de plantes médicinales
DP/MAG/86/007**	IO/IIS/INFR Mr. Zerezghi	J12105	Promotion de la petite et moyenne industrie par le canal de la Société d'étude et de réalisation pour le développement industriel
DP/MAG/87/009*	IO/T/AGRO Mr. Hallett	J13101	Restructuration de l'atelier bois de la Société d'études de construction et réparation navales (S.E.C.R.E.N.)
UC/MAG/87/183	PPD/SPA/ECDC	E04101	Coopération entre la République Populaire de Chine et la République Démocratique de Madagascar pour la production du biogaz (en collaboration avec IPCT/DTT/TEC)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

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IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Kingdom of MOROCCO

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Kozlov	J12102	DP/MOR/86/015*	Assistance dans le domaine de la normalisation, le contrôle de la qualité et la métrology
IO/IIS/INFR Mr. Cannas	J12103	DP/MOR/86/016	Assistance au développement des petites et moyennes industries (PMI) en milieu rural
IO/IIS/INFR Mr. Nickels	J12103	US/MOR/87/173*	Développement de la coopération industrielle entre le Royaume du Maroc et la République Fédérale d'Allemagne dans le domaine des petites et moyennes industries électro-mécanique basée sur l'emploi de la méthode ACT (Analyse de la Complexité Technologique)
IO/IIS/INFR Mr. Crombrugghe	J12104	DP/MOR/87/017	Assistance à l'établissement d'une bourse de sous-traitance et du partenariat dans les Industries Métallurgiques Mécaniques Electriques et Electroniques (IMMEE) (related to DP/RAB/86/001)
IO/T/ENG Mr. Gürkök	J13313	SI/MOR/86/885	Immediate assistance to AGA-Ingénierie for the establishment of computerized engineering data bank
IO/T/CHEM Mr. Youssef	J13420	UC/MOR/87/114	Fact-finding mission in the field of extraction and development of natural rubber from guayule

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Republic of MOZAMBIQUE

Project Number	Backstopping Responsibility	Progr.Element	Project Title
US/MOZ/80/179*	IO/T/AGRO Mr. Miranda da Cruz	J13103	Rehabilitation and development of the bakery industry
DP/MOZ/81/022*	IO/T/MET Mr. Iliev	J13208	Strengthening national capabilities in steel industry development (phase II)
TF/MOZ/82/001*	IO/T/CHEM Mr. Judt	J13420	Strengthening the sea salt production capacity of Mozambique
DP/MOZ/82/011*	IO/T/MET Mr. Buckle	J13207	Assistance to the establishment of an aluminium industry in Mozambique (phase II)
DP/MOZ/83/004*	IO/T/CHEM/PH Mr. Lanet	J13422	Preparatory assistance for the establishment of a pilot plant for pharmaceuticals
DP/MOZ/85/009*	IO/T/MET Mr. Iliev	J13208	Technical assistance to the existing industries under Unidade de Direccao da Metalurgia (continuation of DP/MOZ/82/002)
DP/MOZ/85/014	PPD/SR/REG	E03200	Study of the industrial sector
DP/MOZ/85/016	IO/T/AGRO Mr. Miranda da Cruz	J13103	Rehabilitation of the existing yeast factories
UC/MOZ/85/260	PPD/SR/REG	E03200	Industrial sector study
TF/MOZ/86/001	IO/T/AGRO Mr. Eräneva	J13102	Assistance to OMM garment co-operatives in production organization and financial management
DP/MOZ/86/016*	IO/IIS/TRNG Mr. Ramanantoanison	J12309	Human resources development of the industrial sector (phase I)
UC/MOZ/87/025	IPCT/II/PIF Mr. Maadi	G01101	Assistance in identification and formulation of industrial investment and rehabilitation projects
SI/MOZ/87/801	IO/T/AGRO Mr. Belo	J13105	Assistance in fish packaging at PROPESCA (can manufacture)
SI/MOZ/87/802	IO/T/MET Mr. Iliev	J13208	Advisory services on rehabilitation of CIFEL foundry and metal workshops in Maputo

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

People's Republic of MOZAMBIQUE

Project Number	Backstopping Responsibility	Progr.Element	Project Title
US/MOZ/80/179*	IO/T/AGRO Mr. Miranda da Cruz	J13103	Rehabilitation and development of the bakery industry
DP/MOZ/81/022*	IO/T/MET Mr. Iliev	J13208	Strengthening national capabilities in steel industry development (phase II)
TF/MOZ/82/001*	IO/T/CHEM Mr. Judt	J13420	Strengthening the sea salt production capacity of Mozambique
DP/MOZ/82/011*	IO/T/MET Mr. Buckle	J13207	Assistance to the establishment of an aluminium industry in Mozambique (phase II)
DP/MOZ/83/004*	IO/T/CHEM/PH Mr. Lanet	J13422	Preparatory assistance for the establishment of a pilot plant for pharmaceuticals
DP/MOZ/85/009*	IO/T/MET Mr. Iliev	J13208	Technical assistance to the existing industries under Unidade de Direccao da Metalurgia (continuation of DP/MOZ/82/002)
DP/MOZ/85/014	PPD/SR/REG	E03200	Study of the industrial sector
DP/MOZ/85/016	IO/T/AGRO Mr. Miranda da Cruz	J13103	Rehabilitation of the existing yeast factories
UC/MOZ/85/260	PPD/SR/REG	E03200	Industrial sector study
TF/MOZ/86/001	IO/T/AGRO Mr. Eräneva	J13102	Assistance to OMM garment co-operatives in production organization and financial management
DP/MOZ/86/016*	IO/IIS/TRNG Mr. Ramanantoanison	J12309	Human resources development of the industrial sector (phase I)
UC/MOZ/87/025	IPCT/II/PIF Mr. Maadi	G01101	Assistance in identification and formulation of industrial investment and rehabilitation projects
SI/MOZ/87/801	IO/T/AGRO Mr. Belo	J13105	Assistance in fish packaging at PROPESCA (can manufacture)
SI/MOZ/87/802	IO/T/MET Mr. Iliev	J13208	Advisory services on rehabilitation of CIFEL foundry and metal workshops in Maputo

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of the NIGER

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/NER/85/007**	IO/IIS/INFR Mr. Tourou	J12103	Extension de l'assistance à l'Office de Promotion de l'Entreprise Nigérienne (OPEN) (phase III) (continuation of DP/SM/NER/83/004)
SI/NER/85/802	IO/T/MET Mr. Nogueira da Silva	J13208	Technical investigations on the production of sponge iron for steel-making utilizing indigenous iron ores and coals in Niger

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Federal Republic of NIGERIA

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/NIR/78/006*	IPCT/DTT/TEC	G03300	Establishment of a national office for technology transfer and a national industrial consultancy agency
DP/NIR/83/021*	IO/IIS/INFR Mr. Pavlik	J12101	Federal Institute of Industrial Research, Industrial Information Centre (phase II of DP/NIR/75/069)
US/NIR/84/246	IO/T/CHEM Mr. Judt	J13420	Demonstration plant for salt production by women in the Plateau State
DP/NIR/85/022	IO/T/MET Mr. Somnay	J13210	Central metallurgical research and development institute (phase II) (continuation of ST/NIR/80/001)
DP/NIR/85/023*	IO/IIS/IMR Mr. Khan	J12206	Assistance to the new Nigerian Development Company
DP/NIR/86/001	PPD/AREA/AFR	E02101	Preparation of industrial section of 4th country programme (1987-1991), programming mission
SF/NIR/86/001*	IO/T/CHEM Mr. Hagan	J13419	Assistance to the Cement Company of Northern Nigeria (CCNN), Sokoto, Nigeria
SF/NIR/87/001	PPD/SPA/STF	E04401	Project development facility for the Nigerian Industrial Development Bank (NIDB)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

880223
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UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

RWANDESE Republic

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/RWA/80/003*	IO/T/CHEM/PH Mr. Wijesekera	J13422	Production de médicaments à base de plantes médicinales
DP/RWA/84/006*	IO/IIS/INFR Mr. Tourou	J12103	Assistance au développement industrielle du Rwanda (continuation of DP/RWA/75/011)
SI/RWA/85/802	PPD/SR/REG	E03200	Assistance in assessing the potential for resource-based industrial development in Rwanda
SI/RWA/85/803	IO/T/CHEM Mr. Biering	J13419	Assistance à l'usine Rwandaise de pierres ornementales (URPO)
UC/RWA/86/214	IO/IIS/INFR Mr. Zerezghi	J12105	Assistance préparatoire dans l'établissement d'une industrie de cuir et d'articles en cuir (multifund to US/RWA/86/214)
US/RWA/86/214	IO/IIS/INFR Mr. Zerezghi	J12105	Assistance préparatoire dans l'établissement d'une industrie de cuir et d'articles en cuir (multifund to UC/RWA/86/214)
UC/RWA/87/004	IPCT/DTT/TEC	G03301	Advisory services to project promoters in Rwanda, Kigali, Rwanda, 7 - 11 November 1987 (multifund to XP/RWA/87/049)
XP/RWA/87/049	IPCT/DTT/TEC	G03301	Advisory services to project promoters in Rwanda, Kigali, Rwanda, 7 - 11 November 1987 (multifund to UC/RWA/87/004)
XP/RWA/88/009	PPD/SPA/ECDC	E04101	Study tour of two Rwandese specialists in the field of hides and skins industry to Sri Lanka

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operat'mal Technical Co-operation Projects
(approved = PAD issued)

Republic of SENEGAL

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/SEN/82/028*	IO/T/ENG Mr. Seidel	J13312	Entretien du matériel d'irrigation et de culture dans la vallée du fleuve Sénégal (continuation de DP/SEN/78/014)
DP/SEN/85/006*	IO/IIS/PLAN Mr. Richard	J12413	Assistance préparatoire au programme d'actions prioritaires pour l'industrie (plan d'investissement)
DP/SEN/87/001*	IO/IIS/PLAN Mr. Richard	J12413	Mise en oeuvre et d'approfondissement de la nouvelle politique industrielle
UC/SEN/87/118	IO/T/CHEM Mr. Williams	J13424	Assistance to Senegal in the development of biogas technology

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of SIERRA LEONE

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/SIL/83/001**	IO/IIS/PLAN Mr. Eckert	J12413	Industrial development promotion and planning (phase III)
SI/SIL/83/803	IO/T/AGRO Mr. Antinori	J13103	Assistance for establishing and managing a Gari-making pilot plant
TF/SIL/85/001	IO/IIS/PLAN Mr. Eckert	J12413	Associate expert (Mr. Mikkelstrup) (multifund to DP/SIL/83/001)
DP/SIL/86/002*	IO/IIS/INFR Mr. Hisakawa	J12105	Growth centre programme
UC/SIL/86/317	IO/IIS/IMR Mr. Bassili	J12206	Management assistance to Bush and Town Co. Ltd.
DP/SIL/87/003*	IO/IIS/INFR Mr. Hisakawa	J12105	Establishing an industrial development and financial organization for promotion of the small and medium-scale enterprise sector in Sierra Leone

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

SOMALI Democratic Republic

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/SOM/86/016	IO/IIS/IMR Mr. Farah	J12208	Preparatory assistance to establishment of industrial consultancy unit project
DP/SOM/86/034**	IO/IIS/IMR Mr. Farah	J12208	Establishment of an Industrial Consultancy Unit
DP/SOM/87/003*	IO/IIS/IMR Mr. Farah	J12206	Establishment of industrial development information service
XP/SOM/87/003	PPD/SPA/ECDC	E04100	Solidarity ministerial meeting for co-operation in the industrial development of the Somali Democratic Republic - preparatory assistance
UC/SOM/87/145	PPD/SPA/ECDC	E04101	Expert service on technical co-operation between Somalia an India in the field of wind mills for water pumping (in co-operation with IPCT/DTT/TEC) (multifund to UD/SOM/87/145)
UD/SOM/87/145	PPD/SPA/ECDC	E04101	Expert service on technical co-operation between Somalia and India in the field of wind mills for water pumping (in co-operation with IPCT/DTT/TEC) (multifund to UC/SOM/87/145)
UC/SOM/87/153	IO/IIS/FEAS Mr. Rezek	J12516	Pre-feasibility study for the production of agricultural tools, implements and simple equipment
?I/SOM/87/801	IO/T/AGRO Mr. Buljan	J13104	Assistance to the leather industry

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of the SUDAN

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/SUD/80/006	IO/IIS/PLAN Mr. Eckert	J12414	Industrial survey of the Sudan
TF/SUD/85/001	IO/IIS/PLAN Mr. Eckert	J12413	Associate expert (Mr. Koch)
TF/SUD/85/002	IO/IIS/PLAN Mr. Eckert	J12413	Associate expert (Mr. Suhonen)
TF/SUD/85/003	IO/IIS/PLAN Mr. Eckert	J12413	Associate expert (Mr. Dooyeweerd)
DP/SUD/85/011*	IO/IIS/FEAS Mr. Rezek	J12517	Investor advisory assistance service
UC/SUD/86/026	IO/T/CHEM Mr. Williams	J13424	Field test programme for the production of charcoal fuel from cotton stalks using small-scale, decentralized techniques (multifund to XP/SUD/86/026)
XP/SUD/87/050	IO/T/CHEM Mr. Williams	J13424	Field test programme for the production of charcoal fuel from cotton stalks using small-scale, decentralized techniques (multifund to UC/SUD/86/026)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

United Republic of TANZANIA

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/URT/77/013*	IO/T/CHEM/PH Ms. Quintero de Herglotz	J13422	Assistance in the establishment of a pharmaceutical plant in Zanzibar
DP/URT/78/018**	IO/T/AGRO Mr. Eräneva	J13102	Strengthening of the National Textile Corporation (TEXCO)
DP/URT/80/022*	IO/T/MET Mr. Buckle	J13209	Establishment of a Small Industries Development Organization (SIDO) foundry with integrated mechanical workshops
DP/URT/81/026*	IO/T/CHEM/PH Mr. Wijesekera	J13422	Assistance for the production of plant derived pharmaceuticals
DP/URT/81/037*	IO/IIS/INFR Mr. Pavlik	J12101	Establishment of the Tanzania Industrial Research and Development Organization (TIRDO) (phase II) (multifund to SM/URT/81/037) (under completion)
DP/URT/81/038*	IO/IIS/INFR Mr. Zerezghi	J12105	Assistance to the industrial estate in Zanzibar
IW/URT/82/W02	IO/T/AGRO Mr. Berg	J13104	Establishment of a leather goods unit, Isanga, Mbeya
US/URT/85/229**	IO/T/AGRO Mr. Eräneva	J13102	Production of sisal bags - assistance in production management and machinery maintenance
XA/URT/85/606*	IO/T/CHEM Mr. Biering	J13419	Introduction of mobile brickmaking technology (ex RP/URT/85/606) (IDDA)
DP/URT/86/024	IO/IIS/TRNG Mr. Ramanantoanison	J12309	Preparatory assistance for industrial training and consultancy
XP/URT/86/061	IO/IIS/TRNG Mr. Karamanoglu	J12309	Preparatory assistance for the strengthening of the capacity and capability of Tanzania in the field of food testing and quality control in food processing industry
SI/URT/86/875	IO/T/CHEM Mr. Sugavanam	J13421	Expert assistance for the establishment of a pesticide pilot plant under a soft loan advance from the Italian Government
SI/URT/87/801	IO/T/CHEM Mr. Derrough	J13424	Technical assistance to the Tanzania Petroleum Development Corporation (TPDC) (continuation of UC/US/URT/85/220)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

880316
IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

TOGOLESE Republic

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Kozlov	J12102	DP/TOG/86/013	Assistance dans le domaine de la normalisation et du contrôle de qualité
IO/IIS/IMR Mr. Bassili	J12209	XP/TOG/86/064	Techno-economic feasibility study for a wood-based panel plant (under completion)
IO/IIS/PLAN Mr. Richard	J12413	DP/TOG/84/015*	Assistance à l'identification et au développement des investissements (multifund to SM/TOG/84/015)
IO/IIS/PLAN Mr. Richard	J12413	SM/TOG/84/015*	Assistance à l'identification et au développement des investissements (multifund to DP/TOG/84/015)
IO/T/ENG Mr. Seidel	J13312	CD/TOG/83/C01*	Assistance to UPROMA (multifund to DP/TOG/83/004)
IO/T/ENG Mr. Seidel	J13312	DP/TOG/83/004*	Assistance à l'Unité de production de matériel agricole (UPROMA) (multifund to CD/TOG/83/C01)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

880315
IO/CRU

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of TUNESIA

Backstopping Responsibility	Progr.Element	Project Number	Project Title
IO/IIS/INFR Mr. Nickels	J12103	DP/TUN/86/012	Application de la méthode d'Analyse de la Complexité Technologique (ACT) pour le développement de l'industrie electro-mécanique tunisienne
IO/IIS/INFR Mr. Crombrugghe/Ms. Gregor	J12104	DP/TUN/86/007*	Création d'une mini banque de données au Centre national d'études industrielles (CNEI)
IO/IIS/INFR Mr. Crombrugghe	J12104	DP/TUN/86/008	Etablissement d'une bourse de sous-traitance nationale et internationale dans les secteurs industriels suivants: mécanique, électrique et plastique
IO/T/AGRO Mr. Antinori	J13100	UC/TUN/88/004	Transformation et valorisation des produits de la pêche et de l'aquaculture en Tunisie
IO/T/ENG Mr. Gürkök	J13313	UC/TUN/87/244	Development of management capabilities of the 'Centre Technique des Industries Mécaniques et Electriques' (CETIME) (see also DP/TUN/86/003)
IO/T/ENG Mr. Seidel	J13316	DP/TUN/86/003*	Unité de conception et de fabrication assistée par ordinateur de moules au sein du CETIME/DO - CFAO (see also UC/TUN/87/244)
IO/T/CHEM/PH Ms. Quintero de Herglotz	J13422	DP/TUN/86/010**	Mise en oeuvre de cinq programmes de recherche orientée au sein du Centre de biotechnologie (INRST), Sfax, Tunisie

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of UGANDA

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/UGA/81/001*	IO/T/AGRO Mr. Galat	J13103	Rehabilitation of Mukisa Foods Limited (under completion)
DP/UGA/83/001*	IO/IIS/IMR Mr. Farah	J12207	Technical assistance to the Ministry of Industry
BR/UGA/84/003*	IO/IIS/PLAN Mr. Eckert	J12413	Strengthening the Planning Unit of the Ministry of Industry
DP/UGA/84/018*	IO/T/MET Mr. Crowston	J13208	Assistance to the Ministry of Industry/Iron and Steel Industry
UC/UGA/85/254	IO/T/AGRO Mr. Galat	J13103	Establishment of a food processing centre
DP/UGA/86/015**	IO/T/ENG Mr. Gladilov	J13312	Manufacture of agricultural tools, implements and farm machinery (multifund to CD/UGA/80/C06)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of ZAIRE

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/ZAI/81/013**	IO/T/AGRO Mr. Koenig	J13106	Valorisation des produits agricoles nationaux (IRS, Lubumbashi) (continuation of DP/ZAI/71/539) (under completion)
DP/ZAI/81/014**	IO/IIS/INFR Mr. Cannas	J12103	Développement des petites et moyennes entreprises (PME) zaïroises, spécialement dans la région du Kivu (Associated Agency: WTO)
DP/ZAI/81/015*	IO/IIS/FEAS Mr. Kurowski	J12517	Mise en place et fonctionnement de la Zone Franche d'Inga (ZOFI) (under completion)
DP/ZAI/85/011*	IO/IIS/IMR Mr. de Pierpont	J12208	Amélioration de la gestion financière et administrative des entreprises relevant du Departement du Portefeuille (phase II of DP/ZAI/81/011)
DP/ZAI/86/008**	IO/IIS/PLAN Mr. Richard	J12413	Planification et promotion du développement industriel

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

UNIDO's Approved and/or Operational Technical Co-operation Projects
(approved = PAD issued)

Republic of ZAMBIA

Project Number	Backstopping Responsibility	Progr.Element	Project Title
DP/ZAM/82/018*	IO/IIS/INFR Mr. Hisakawa	J12103	Assistance to the Small Industry Development Organization (SIDO)
DP/ZAM/85/003	IPCT/II/PIF Mr. Maadi	G01106	Investment promotion tour for Zambia
DP/ZAM/85/004*	IO/IIS/FEAS Mr. Suzuki	J12517	Assistance to the Industrial Development Corporation (INDECO) project evaluation unit
DP/ZAM/85/007*	IO/IIS/FEAS Mr. Suzuki	J12517	Assistance to the investment policy department of the National Commission for Development Planning (NCDP)
DP/ZAM/85/012	IO/IIS/PLAN Mr. Akhvlediani	J12415	Establishment of an industrial planning unit in the Ministry of Commerce and Industry - preparatory assistance
DP/ZAM/86/010	IO/IIS/INFR Mr. Hisakawa	J12103	Support to the development of the small-scale industrial sector in Zambia - preparatory assistance
UC/ZAM/86/176	IO/IIS/INFR Mr. Hisakawa	J12105	Rural industry development
SI/ZAM/88/801	IO/IIS/FEAS Mr. Suzuki	J12516	Assistance in the establishment of a copper fabrication plant in Zambia (in co-operation with IO/T/MET)

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

STATISTICAL APPENDIX

Population in North Africa
(in thousands)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Algeria	16780	17300	17910	17580	18190	18670	19250	19860	20500	21050	21586	22136
Egypt	37230	37870	38790	39820	40980	42290	43470	44670	45920	45820	46890	47985
Libya	2430	2560	2670	2790	2910	3040	3180	3330	3470	3620	3784	3955
Morocco	17310	17830	18360	18910	19470	20050	20650	21370	22110	22850	23566	24304
Sudan	15730	16130	16950	17560	18130	18680	19240	19800	20360	20950	21628	22328
Tunisia	5610	5770	5930	6080	6220	6390	6570	6730	6890	6940	7106	7276
North Africa	95090	97460	100610	102740	105900	109120	112360	115760	119250	121230	124560	128000

Constant GDP in North Africa
(in 1980 constant million US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Algeria	26267	28638	30801	33407	36378	42450	43127	40834	43815	45567	47390	47911
Egypt	15667	16799	18129	19963	21694	22100	24776	26150	28504	29930	31546	32807
Libya	23850	29250	31847	32665	35366	35579	30159	28879	26714	26741	26741	26268
Morocco	13910	14888	15854	16387	17134	17822	17436	18412	18524	18912	19725	20515
Sudan	9128	9656	8676	8286	7922	8144	8520	8912	8678	8592	8448	8440
Tunisia	6537	6794	7157	7664	8311	8669	9160	9190	9602	10131	10598	10494
North Africa	95360	106026	112464	118372	126805	134764	133178	132376	135837	139874	144448	146436

Annual average growth rate of constant GDP in North Africa
(in percent)

Country	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Algeria	9.0	8.3	8.3	8.5	10.1	8.6	6.5	6.6	6.3	6.1	5.6
Egypt	7.2	7.6	8.4	8.5	7.1	7.9	7.6	7.8	7.5	7.2	7.0
Libya	22.6	15.6	11.1	10.3	8.3	4.0	2.8	1.4	1.3	1.1	0.9
Morocco	7.0	6.8	5.6	5.3	5.1	3.8	4.1	3.6	3.5	3.5	3.6
Sudan	5.8	-2.5	-3.2	-3.5	-2.2	-1.1	-0.3	-0.6	-0.7	-0.8	-0.7
Tunisia	3.9	4.6	5.4	6.2	5.8	5.8	5.0	4.9	5.0	5.0	4.4
North Africa	11.2	8.6	7.5	7.4	7.2	5.7	4.8	4.5	4.3	4.2	4.0

Constant GDP per capita in North Africa
(in 1980 constant US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Algeria	1565.4	1655.4	1719.8	1900.3	1999.9	2273.7	2240.4	2056.1	2137.3	2164.7	2195.0	2164.0
Egypt	420.8	443.6	467.4	501.3	529.4	522.6	570.0	585.4	620.7	653.2	672.8	683.6
Libya	9814.8	11425.9	11927.8	11707.8	12153.4	11703.7	9483.9	8672.3	7698.5	7387.0	7074.3	6633.4
Morocco	803.6	835.0	863.5	866.6	880.0	888.9	844.4	861.6	837.8	827.7	836.9	844.2
Sudan	580.3	598.6	511.9	471.9	437.0	436.0	442.8	450.1	426.2	410.1	390.6	378.0
Tunisia	1165.3	1177.5	1207.0	1260.5	1336.1	1356.6	1394.3	1365.5	1393.7	1459.8	1490.5	1441.5
North Africa	1002.8	1087.9	1117.8	1152.2	1197.4	1235.0	1185.3	1143.5	1139.1	1153.8	1159.7	1144.0

Consumer price indices in North Africa
(Base year 1980 = 100)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Algeria	0.573	0.624	0.699	0.819	0.913	1.000	1.146	1.223	1.279	1.363	1.479	1.597
Egypt	0.546	0.602	0.679	0.754	0.829	1.000	1.104	1.268	1.472	1.723	1.952	2.393
Libya	0.663	0.699	0.743	0.962	0.909	1.000	1.100	1.210	1.332	1.464	1.611	1.773
Morocco	0.629	0.683	0.769	0.844	0.914	1.000	1.125	1.244	1.321	1.485	1.600	1.740
Sudan	0.429	0.436	0.510	0.608	0.798	1.000	1.246	1.566	2.045	2.743	3.988	5.982
Tunisia	0.712	0.750	0.801	0.843	0.909	1.000	1.089	1.238	1.349	1.463	1.580	1.671

Annual average growth rate of consumer price indices in North Africa
(in percent)

Country	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Algeria	8.9	10.4	12.6	12.3	11.8	12.2	11.4	10.6	10.1	9.9	9.8
Egypt	10.3	11.5	11.4	11.0	12.9	12.4	12.8	13.2	13.6	13.6	14.4
Libya	5.4	5.9	13.2	8.2	8.6	8.8	9.0	9.1	9.2	9.3	9.3
Morocco	8.6	10.6	10.3	9.8	9.7	10.2	10.2	9.7	10.0	9.8	9.7
Sudan	1.6	9.0	12.3	16.8	18.4	19.4	20.3	21.6	22.9	25.0	27.1
Tunisia	5.3	6.1	5.8	6.3	7.0	7.3	8.2	8.3	8.3	8.3	8.1

Total exports from North Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Algeria	4333454	5005107	5829888	6142132	9898638	15684109	13403596	11536460	11226012	11943529	12594097
Egypt	1502860	1573203	1779303	1906440	2058041	3366264	3241279	3199793	3287388	3437735	3900743
Libya	6849386	9539780	11436059	9934996	16132693	22125708	15887924	13716917	12309847	11118551	10543416
Morocco	1554677	1263117	1291954	1509138	1973943	2385636	2303702	2057312	2080386	2180081	2186107
Sudan	439695	587706	610490	504533	605651	616164	579625	576221	471277	618954	413001
Tunisia	886043	791688	924343	1128033	1802188	2230615	2541174	1970611	2018374	1843090	1385580
North Africa	15566115	18760601	21872037	21125272	32471154	46408496	37957300	33057314	31393284	31141940	31022944

Total imports to North Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Algeria	6003816	5341728	7149864	8692510	8435381	10543352	11328681	10697065	10353892	10284997	7476584
Egypt	3973286	3883144	4827170	6708042	3939406	4851846	8718932	9064656	9932997	10365162	9672085
Libya	3624786	3342666	3986457	4691663	5487208	7318033	9318843	7480210	6676728	6050173	4403527
Morocco	2556863	2597286	3172435	3009780	3716121	4201877	4355944	4326390	3608968	3919549	3863720
Sudan	937671	936392	985253	889844	1063682	1524652	1753573	1619511	1086640	889905	988449
Tunisia	1416729	1524014	1824695	2163036	2853177	3503422	3766547	3405950	3102911	3118834	2107163
North Africa	18513151	17625230	21945874	26154875	25494975	31943182	39242520	36593782	34762136	34628620	28511528

Balance of total trade in North Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Algeria	-1670362	-336621	-1319976	-2550378	1463257	5140757	2074915	839395	872120	1658532	5117513
Egypt	-2470426	-2309941	-3047867	-4801602	-1881365	-1485582	-5477653	-5864863	-6645609	-6927427	-5771342
Libya	3224600	6197114	7449602	5243333	10645485	14807675	6569081	6236707	5633119	5068378	6139889
Morocco	-1002186	-1334169	-1880481	-1500642	-1742178	-1816241	-2052242	-2269078	-1528582	-1739468	-1677613
Sudan	-497976	-348686	-374763	-385311	-458031	-908488	-1173948	-1043290	-615363	-270951	-575448
Tunisia	-530686	-732326	-900352	-1035903	-1050989	-1272807	-1225373	-1435339	-1084337	-1275744	-721583
North Africa	-2947036	1135371	-73837	-5029603	6976179	14465314	-1285220	-3536468	-3368852	-3486680	2511416

Annual average exchange rates in North Africa
(in national currency per US dollar)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Algeria	3.949	4.164	4.147	3.966	3.853	3.837	4.316	4.592	4.789	4.983	5.028	4.702
Egypt	0.391	0.391	0.391	0.391	0.700	0.700	1.010	1.130	1.145	1.254	1.535	1.883
Libya	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.314
Morocco	4.053	4.419	4.503	4.167	3.899	3.937	5.172	6.023	7.111	8.810	10.062	9.104
Sudan	0.348	0.348	0.348	0.376	0.425	0.500	0.535	0.938	1.300	1.300	2.288	2.500
Tunisia	0.402	0.429	0.429	0.416	0.406	0.405	0.494	0.591	0.678	0.777	0.835	0.794

MVA and its share in GDP in North Africa
(in million current US dollars and percent)

Country	--- 1975 ---		--- 1976 ---		--- 1977 ---		--- 1978 ---		--- 1979 ---		--- 1980 ---		--- 1981 ---	
	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%
Algeria	1094	7.7	1390	8.4	1627	8.2	2140	8.2	2723	8.2	3552	8.4	3672	8.3
Egypt	2351	17.5	2760	16.1	3174	15.1	3660	14.6	2207	12.3	2726	12.3	3473	14.8
Libya	228	1.8	315	1.9	452	2.3	513	2.7	648	2.4	824	2.3	795	2.5
Morocco	1489	16.6	1682	18.1	1727	15.6	2276	17.2	2696	16.9	3093	17.4	2671	18.0
Sudan	457	10.5	460	8.7	484	7.2	517	6.7	597	7.8	640	7.9	854	9.5
Tunisia	439	10.1	510	11.4	608	11.9	758	12.7	952	13.2	1187	13.7	1136	13.5
North Africa	6058	10.4	7117	10.3	8072	9.7	9864	10.1	9823	9.0	12022	8.9	12601	9.6

Population in Tropical Africa
(in thousands)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Angola	5750	5850	6575	6732	6901	7581	7784	7992	8202	8420	8781	9158
Benin	3110	3200	3290	3380	3340	3420	3520	3620	3720	3830	3930	4022
Botswana	690	690	710	730	790	820	940	980	1010	1050	1080	1130
Burkina-Faso	5640	5749	5840	5940	6040	6150	6200	6310	6410	6530	6640	6751
Burundi	3740	3820	3900	3980	4020	4120	4220	4310	4420	4540	4650	4751
Cape Verde	290	300	313	300	319	295	300	304	315	321	322	324
Cent. Afr. Rep.	2050	2100	2170	2220	2280	2330	2350	2410	2460	2520	2579	2639
Chad	4030	4120	4210	4310	4380	4480	4580	4680	4790	4900	5009	5126
Comoros	323	344	370	385	345	347	358	368	378	382	389	396
Congo	1350	1390	1440	1450	1490	1530	1570	1610	1650	1700	1744	1789
Djibouti	105	273	300	300	325	352	381	330	399	343	347	351
Equat. Guinea	324	330	338	346	354	341	346	353	360	362	367	371
Ethiopia	27470	28190	35920	36760	37630	38520	39440	40400	41390	42440	43350	45379
Gabon	1000	1020	1000	1020	1040	1060	1080	1100	1110	1130	1137	1144
Gambia	517	540	552	571	583	600	620	640	620	630	644	658
Ghana	9870	10310	10410	10750	11090	11540	11940	12240	12700	13150	13573	14010
Guinea	4513	4632	4989	5133	5275	5425	5571	5704	5831	6098	6305	6519
Guinea Bissau	530	900	747	763	779	773	790	849	866	971	1038	1110
Ivory Coast	6770	7050	7340	7610	7920	8250	8550	8860	9300	9470	9831	10206
Kenya	13410	13850	14350	14880	15330	16670	17340	18040	18770	19540	20330	21200
Lesotho	1190	1210	1240	1280	1310	1340	1370	1410	1440	1470	1506	1542
Liberia	1550	1610	1670	1720	1780	1850	1910	1980	2040	2110	2190	2267
Madagascar	7600	7810	8020	8240	8470	8700	8960	9200	9400	9730	10000	10278
Malawi	5240	5370	5540	5680	5860	6050	6230	6410	6620	6840	7060	7275

Population in Tropical Africa
(in thousands)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Mali	6290	6320	6480	6640	6810	6980	7160	7340	7530	7720	7890	8074
Mauritania	1420	1460	1500	1540	1590	1630	1680	1730	1780	1830	1883	1937
Mauritius	860	870	880	890	910	930	940	950	960	980	990	1004
Mozambique	9240	9440	9691	9935	10199	12084	12485	12908	13345	14201	14898	15629
Namibia	880	900	926	953	980	980	1015	1051	1088	1106	1135	1165
Niger	4600	4730	4860	4990	5170	5310	5460	5610	5770	5940	6110	6285
Nigeria	67670	70070	72580	75180	77840	80560	83310	86130	89020	92040	95243	98557
Reunion	500	479	499	508	517	525	534	544	554	557	564	571
Rwanda	4200	4290	4360	4800	4980	5160	5350	5550	5760	5870	6094	6326
Sao Tome & Prin.	78	80	82	107	110	113	115	100	103	107	111	115
Senegal	4980	5120	5250	5400	5550	5700	5870	5990	6320	6400	6584	6773
Seychelles	59	60	61	62	63	63	64	64	64	64	65	66
Sierra Leone	3050	3090	3140	3190	3240	3300	3350	3410	3470	3540	3599	3659
Somalia	3130	3360	3560	3720	3870	4020	4160	4290	4420	4540	4731	4930
Swaziland	490	500	510	530	540	550	570	590	610	630	650	669
Togo	2230	2290	2350	2410	2470	2550	2630	2750	2790	2870	2929	2989
Uganda	11550	11940	12350	12780	13220	13110	13540	14000	14470	14960	15403	15859
Untd. Rep. Camr.	7530	7700	7910	8060	8250	8500	8720	8940	9160	9470	9716	9969
Untd. Rep. Tanz.	14760	15310	16410	16920	17440	17980	18580	19170	19780	20410	21060	21827
Western Sahara	120	120	130	130	130	140	140	140	150	146	149	152
Zaire	22580	23290	24020	24780	25560	26380	26610	27400	28210	29060	29894	30752
Zambia	4980	5140	5300	5470	5650	5830	5830	6030	6240	6450	6641	6838
Zimbabwe	6140	6330	6520	6720	6930	7140	7360	7550	7740	7980	8300	8553
Tropical Africa	284399	293538	310603	320195	329670	342079	351823	362337	373535	385348	397441	411095

Constant GDP in Tropical Africa
(in 1980 constant million US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Angola	3612	3277	3353	3497	3577	3756	3730	3241	3116	3147	3132	3070
Benin	881	919	971	998	1048	1162	1230	1279	1284	1305	1243	1286
Botswana	507	583	596	707	792	911	989	978	1182	1408	1521	1650
Burkina-Faso	1178	1170	1151	1200	1308	1341	1456	1556	1601	1649	1682	1699
Burundi	760	820	921	911	929	961	1062	1027	1039	1024	1111	1155
Cape Verde	46	50	55	58	64	65	71	85	107	119	117	115
Cent. Afr. Rep.	767	770	772	775	778	797	781	768	751	731	752	769
Chad	593	602	616	630	480	502	525	549	576	604	634	667
Comoros	103	98	104	113	123	127	134	139	144	149	153	159
Congo	1697	1661	1563	1535	1634	1706	2069	2460	2544	2618	2380	2163
Djibouti	369	381	335	306	321	339	357	324	325	296	270	262
Equat. Guinea	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	3630	3714	3736	3606	3890	4106	4358	4441	4629	4456	4184	4142
Gabon	3498	3617	3802	3967	4280	4281	4134	4175	4256	4426	4339	3940
Gambia	262	281	254	318	244	247	249	256	281	256	249	247
Ghana	14383	13877	14190	15393	14797	14906	14639	13585	13681	14721	15501	16322
Guinea	1375	1286	1363	1459	1441	1508	1397	1425	1444	1473	1509	1547
Guinea Bissau	179	181	171	180	184	175	180	188	179	180	181	182
Ivory Coast	7607	8520	8921	9866	10067	10575	10791	11115	9682	9492	9957	10306
Kenya	5346	5552	6073	6513	6770	7096	7387	7521	7781	7851	8173	8606
Lesotho	409	414	419	424	398	418	443	451	434	451	461	474
Liberia	860	894	887	922	962	917	876	822	796	773	766	758
Madagascar	2980	2861	2929	2865	3162	3192	2898	2924	3000	2893	2850	2865
Malawi	1001	1064	1109	1202	1241	1233	1169	1203	1246	1288	1324	1377

Constant GDP in Tropical Africa
(in 1980 constant million US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Mali	2523	2851	3042	3118	2211	2845	2828	2879	2911	2948	2981	3029
Mauritania	649	658	668	678	688	691	657	643	611	597	615	640
Mauritius	900	1050	1132	1198	1266	1132	1209	1279	1284	1343	1431	1509
Mozambique	4124	3798	3497	2219	2344	2484	2544	2393	2023	1837	1703	1568
Namibia	1770	1848	1815	1865	1857	1756	1770	1751	1694	1681	1684	1701
Niger	1814	2092	2150	2360	2449	2501	2343	2338	2240	1929	2066	2094
Nigeria	73435	81436	87403	80500	83674	8[illegible]077	83563	83565	76441	72236	73969	71605
Reunion	1465	1630	1726	1826	1937	1999	2141	2247	2262	2301	2355	2427
Rwanda	938	955	1005	1103	1206	1163	1192	1241	1241	1207	1222	1238
Sao Tome & Prin.	27	29	37	40	43	47	36	37	33	32	32	32
Senegal	2775	2995	3018	2618	2886	2970	3033	3509	3656	3501	3634	3732
Seychelles	87	87	109	130	151	147	138	135	133	135	150	163
Sierra Leone	1008	978	992	995	1069	1101	1169	1239	1217	1246	1276	1306
Somalia	1364	1413	1468	1483	1551	1568	1852	1978	2310	2377	2460	2608
Swaziland	560	568	576	584	591	599	647	667	656	652	658	667
Togo	908	904	954	1051	1122	1131	1037	1062	978	1271	1331	1383
Uganda	17329	13155	14388	14639	13881	13569	14098	15254	15910	15095	14308	14041
Untd. Rep. Camr.	5056	5153	5446	5745	6056	6419	6874	7218	7572	8147	8783	9310
Untd. Rep. Tanz.	3941	4878	5015	5161	5225	5269	5211	5278	5255	5385	5509	5674
Western Sahara	-	-	-	-	-	-	-	-	-	-	-	-
Zaire	6616	6269	6317	5979	5995	6137	6314	6123	6203	6371	6498	6661
Zambia	3876	4042	3867	3890	3770	3886	4123	4010	3935	3885	4016	4096
Zimbabwe	3863	4030	4204	4386	4576	5353	6049	6049	5850	5914	6328	6517
Tropical Africa	187071	193412	203119	199011	203641	209163	209802	211409	204495	201402	205500	205768

Annual average growth rate of constant GDP in Tropical Africa
(in percent)

Country	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Angola	-9.2	-3.6	-1.1	-0.2	0.8	0.5	-1.5	-1.8	-1.5	-1.4	-1.5
Benin	4.3	5.0	4.2	4.4	5.7	5.7	5.5	4.8	4.5	3.5	3.5
Botswana	15.0	8.4	11.7	11.8	12.4	11.8	9.8	11.2	12.0	11.6	11.3
Burkina-Faso	-0.6	-1.1	0.6	2.7	2.6	3.6	4.1	3.9	3.8	3.6	3.4
Burundi	7.9	10.1	6.2	5.2	4.8	5.7	4.4	4.0	3.4	3.9	3.9
Cape Verde	9.3	9.3	8.1	8.8	7.1	7.6	9.3	11.2	11.2	9.8	8.7
Cent. Afr. Rep.	0.3	0.3	0.3	0.3	8.8	0.3	0.0	-0.2	-0.5	-0.2	0.0
Chad	1.6	1.9	2.0	-5.1	-3.3	-2.0	-1.1	-0.4	0.2	0.7	1.1
Comoros	-4.7	0.5	3.3	4.7	4.3	4.5	4.4	4.3	4.2	4.1	4.1
Congo	-2.1	-4.0	-3.3	-0.9	0.1	3.4	5.5	5.2	4.9	3.4	2.2
Djibouti	3.4	-4.7	-6.0	-3.4	-1.6	-0.5	-1.8	-1.6	-2.4	-3.0	-3.0
Equat. Guinea	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	2.3	1.4	-0.2	1.7	2.5	3.1	2.9	3.1	2.3	1.4	1.2
Gabon	3.4	4.2	4.3	5.2	4.1	2.8	2.6	2.5	2.6	2.2	1.1
Gambia	7.6	-1.6	6.7	-1.7	-1.1	-0.8	-0.3	0.9	-0.2	-0.5	-0.5
Ghana	-3.5	-0.7	2.3	0.7	0.7	0.3	-0.8	-0.6	0.3	0.8	1.2
Guinea	-6.4	-0.4	2.0	1.2	1.9	0.3	0.5	0.6	0.8	0.9	1.1
Guinea Bissau	1.1	-2.1	0.3	0.7	-0.4	0.1	0.7	0.0	0.1	0.1	0.2
Ivory Coast	12.0	8.3	9.1	7.3	6.8	6.0	5.6	3.1	2.5	2.7	2.8
Kenya	3.9	6.6	6.8	6.1	5.8	5.5	5.0	4.8	4.4	4.3	4.4
Lesotho	1.3	1.2	1.2	-0.6	0.4	1.4	1.4	0.8	1.1	1.2	1.4
Liberia	4.0	1.6	2.4	2.8	1.3	0.3	-0.6	-0.9	-1.2	-1.1	-1.1
Madagascar	-4.0	-0.8	-1.3	1.5	1.4	-0.5	-0.3	0.1	-0.3	-0.4	-0.3
Malawi	6.3	5.3	6.3	5.5	4.2	2.6	2.7	2.8	2.8	2.8	2.9

Annual average growth rate of constant GDP in Tropical Africa
(in percent)

Country	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Mali	13.0	9.8	7.3	2.7	2.4	1.9	1.9	1.8	1.8	1.7	1.7
Mauritania	1.5	1.5	1.5	1.5	1.3	0.2	-0.1	-0.7	-0.9	-0.5	-0.1
Mauritius	16.7	12.2	10.0	8.9	4.7	5.0	5.2	4.5	4.5	4.8	4.8
Mozambique	-7.9	-7.9	-18.7	-13.2	-9.6	-7.7	-7.5	-8.5	-8.6	-8.5	-8.4
Namibia	4.4	1.3	1.8	1.2	-0.1	0.0	-0.1	-0.5	-0.6	-0.5	-0.3
Niger	15.3	8.9	9.2	7.8	6.6	4.3	3.7	2.7	0.7	1.3	1.3
Nigeria	10.9	9.1	3.1	3.3	3.2	2.2	1.9	0.5	-0.2	0.1	-0.2
Reunion	11.3	8.6	7.6	7.2	6.4	6.5	6.3	5.6	5.2	4.9	4.7
Rwanda	1.8	3.5	5.5	6.5	4.4	4.1	4.1	3.6	2.8	2.7	2.5
Sao Tome & Prin.	5.6	16.5	14.1	12.5	11.4	4.6	4.4	2.4	1.7	1.5	1.5
Senegal	7.9	4.3	-1.9	1.0	1.4	1.5	3.4	3.5	2.6	2.7	2.7
Seychelles	0.0	12.0	14.2	14.8	11.1	7.9	6.5	5.5	5.0	5.6	6.1
Sierra Leone	-3.0	-0.8	-0.4	1.5	1.8	2.5	3.0	2.4	2.4	2.4	2.4
Somalia	3.6	3.7	2.8	3.3	2.8	5.2	5.5	6.8	6.4	6.1	6.1
Swaziland	1.4	1.4	1.4	1.4	1.3	2.4	2.5	2.0	1.7	1.6	1.6
Togo	-0.5	2.5	5.0	5.4	4.5	3.0	2.3	0.9	3.8	3.9	3.9
Uganda	-24.1	-8.9	-5.5	-5.4	-4.8	-3.4	-1.8	-1.1	-1.5	-1.9	-1.9
Untd. Rep. Camr.	1.9	3.8	4.3	4.6	4.9	5.2	5.2	5.2	5.4	5.7	5.7
Untd. Rep. Tanz.	23.8	12.8	9.4	7.3	6.0	4.8	4.3	3.7	3.5	3.4	3.4
Western Sahara	-	-	-	-	-	-	-	-	-	-	-
Zaire	-5.2	-2.3	-3.3	-2.4	-1.5	-0.8	-1.1	-0.8	-0.4	-0.2	0.1
Zambia	4.3	-0.1	0.1	-0.7	0.1	1.0	0.5	0.2	0.0	0.4	0.5
Zimbabwe	4.3	4.3	4.3	4.3	6.7	7.8	6.6	5.3	4.8	5.1	4.9
Tropical Africa	3.4	4.2	2.1	2.1	2.3	1.9	1.8	1.1	0.8	0.9	0.9

Constant GDP per capita in Tropical Africa
(in 1980 constant US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Angola	628.1	560.2	509.9	519.5	518.4	495.5	479.2	405.5	379.9	373.8	356.6	335.3
Benin	283.4	287.2	295.2	295.3	313.7	339.9	349.5	353.4	345.3	340.7	316.2	319.8
Botswana	735.0	845.1	839.4	968.0	1002.0	1111.4	1051.6	998.2	1169.9	1341.1	1408.7	1460.3
Burkina-Faso	208.8	203.8	197.0	202.1	216.6	218.0	234.9	246.6	249.8	252.6	253.3	251.7
Burundi	203.2	214.6	236.2	228.9	231.1	233.3	251.6	238.4	235.1	225.5	239.0	243.0
Cape Verde	158.0	166.9	174.9	193.2	201.4	219.0	236.6	280.1	340.2	371.7	363.2	353.9
Cent. Afr. Rep.	374.1	366.5	355.9	349.1	341.1	342.1	332.2	318.8	305.3	290.2	291.5	291.4
Chad	147.2	146.2	146.3	146.1	109.6	112.0	114.6	117.4	120.2	123.3	126.6	130.0
Comoros	317.6	284.3	280.1	294.0	356.6	364.9	373.1	377.1	380.7	389.2	393.6	402.1
Congo	1257.2	1195.3	1085.1	1058.8	1096.7	1114.9	1317.9	1528.1	1541.7	1539.8	1364.4	1209.2
Djibouti	3511.2	1396.1	1116.7	1019.6	986.3	963.9	936.3	983.3	813.6	863.3	778.6	747.3
Equat. Guinea	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	132.2	131.7	104.0	98.1	103.4	106.6	110.5	109.9	111.8	105.0	96.5	91.3
Gabon	3497.6	3546.6	3801.6	3889.5	4115.5	4038.7	3827.6	3795.5	3834.2	3917.0	3816.5	3444.2
Gambia	506.1	521.2	459.3	557.1	418.9	411.9	401.4	400.7	453.9	406.1	386.5	375.6
Ghana	1457.2	1345.9	1363.1	1431.9	1334.2	1291.7	1226.0	1109.9	1077.2	1119.4	1142.0	1165.0
Guinea	304.6	277.7	273.3	284.2	273.3	277.9	250.8	249.9	247.6	241.5	239.4	237.3
Guinea Bissau	337.1	200.6	229.3	236.4	236.1	226.4	228.1	221.2	206.3	185.3	174.5	164.3
Ivory Coast	1123.7	1208.4	1215.4	1296.4	1271.1	1281.8	1262.1	1254.5	1041.1	1002.3	1012.8	1009.8
Kenya	398.6	400.9	423.2	437.7	441.6	425.6	426.0	416.9	414.5	401.8	402.0	405.9
Lesotho	343.5	342.1	337.9	331.4	304.2	311.7	323.7	320.0	301.7	306.9	306.4	307.6
Liberia	554.8	555.3	531.1	536.0	540.4	495.7	458.6	415.2	390.2	366.4	349.8	334.4
Madagascar	392.1	366.3	365.2	347.7	373.3	366.9	323.4	317.8	319.2	297.3	285.0	278.7
Malawi	191.1	198.1	200.3	211.6	211.8	203.7	187.6	187.7	188.2	188.3	187.5	189.2

Constant GDP per capita in Tropical Africa
(in 1980 constant US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Mali	401.1	451.1	469.4	469.5	412.8	407.6	395.0	392.2	386.5	381.9	377.8	375.1
Mauritania	456.9	450.9	445.3	440.0	432.4	423.9	391.0	371.5	343.2	326.0	326.7	330.3
Mauritius	1046.3	1206.6	1286.9	1346.0	1391.4	1217.0	1286.2	1346.5	1337.7	1370.7	1445.1	1503.4
Mozambique	446.3	402.3	360.8	223.3	229.8	205.6	203.8	185.4	151.6	129.4	114.3	100.3
Namibia	2011.3	2053.7	1959.9	1957.0	1895.2	1791.6	1743.8	1665.7	1557.1	1520.1	1483.5	1459.7
Niger	394.4	442.2	442.4	472.9	473.7	471.1	429.1	416.8	388.2	324.8	338.1	333.1
Nigeria	1085.2	1162.2	1204.2	1070.8	1075.0	1068.5	1003.0	970.2	858.7	784.8	776.6	726.5
Reunion	2929.8	3402.6	3459.7	3594.0	3745.7	3806.7	4010.2	4129.7	4083.8	4131.9	4175.8	4250.6
Rwanda	223.4	222.7	230.5	229.8	242.2	225.4	222.9	223.6	215.5	205.6	200.6	195.6
Sao Tome & Prin.	348.4	358.8	449.6	376.8	395.3	413.6	309.9	368.1	319.4	294.9	284.2	279.3
Senegal	557.3	584.9	574.8	484.8	520.0	521.1	516.7	585.8	578.6	547.1	552.0	551.1
Seychelles	1476.9	1452.3	1792.7	2091.8	2398.8	2339.2	2151.1	2116.9	2082.7	2112.0	2313.0	2543.4
Sierra Leone	330.5	316.4	315.9	311.8	330.0	333.8	349.0	363.3	350.7	352.1	354.5	357.0
Somalia	435.8	420.4	412.2	398.7	400.7	390.0	445.1	461.0	522.6	523.6	520.1	529.0
Swaziland	1143.7	1136.2	1129.1	1101.0	1094.9	1089.0	1134.3	1130.7	1074.6	1034.4	1012.5	997.2
Togo	407.4	394.8	406.1	435.9	454.2	443.5	413.3	386.1	350.5	443.0	454.5	462.7
Uganda	1500.4	1101.8	1165.0	1145.5	1050.0	1035.0	1041.2	1089.6	1099.5	1009.0	928.9	885.4
Untd. Rep. Camr.	671.5	669.3	688.5	712.8	734.1	755.2	788.3	807.4	826.6	860.3	904.0	933.9
Untd. Rep. Tanz.	267.0	318.6	305.6	305.0	299.6	293.0	280.4	275.3	265.7	263.9	261.6	260.0
Western Sahara	-	-	-	-	-	-	-	-	-	-	-	-
Zaire	293.0	269.2	263.0	241.3	234.5	232.6	237.3	223.5	219.9	219.2	217.4	216.6
Zambia	778.3	786.4	729.6	711.1	667.3	666.5	707.2	665.0	630.7	602.3	604.8	599.1
Zimbabwe	629.2	636.6	644.8	652.7	660.3	749.7	821.9	801.2	755.9	741.1	762.4	762.0
Tropical Africa	657.8	658.9	654.0	621.5	617.7	611.5	596.3	583.5	547.5	522.6	517.1	500.5

Consumer price indices in Tropical Africa
(Base year 1980 = 100)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Angola	-	-	-	-	-	-	-	-	-	-	-	-
Benin	-	-	-	-	-	-	-	-	-	-	-	-
Botswana	0.571	0.638	0.723	0.788	0.879	1.000	1.164	1.294	1.430	1.552	1.678	1.827
Burkina-Faso	0.601	0.551	0.716	0.775	0.891	1.000	1.076	1.205	1.306	1.369	1.463	1.425
Burundi	0.473	0.506	0.540	0.669	0.914	1.000	1.120	1.184	1.283	1.467	1.521	1.555
Cape Verde	0.665	0.673	0.720	0.816	0.872	1.000	1.115	1.227	1.350	1.485	1.634	1.797
Cent. Afr. Rep.	0.571	0.631	0.701	0.781	0.854	1.000	1.127	1.273	1.443	1.499	1.657	1.839
Chad	0.719	0.743	0.805	0.866	0.930	1.000	1.075	1.155	1.242	1.336	1.436	1.543
Comoros	0.548	0.630	0.679	0.790	0.899	1.000	1.186	1.594	1.695	1.949	2.241	2.577
Congo	0.638	0.684	0.783	0.862	0.932	1.000	1.170	1.320	1.423	1.603	1.701	1.755
Djibouti	0.477	0.530	0.650	0.780	0.890	1.000	1.060	1.030	1.040	1.058	1.181	1.447
Equat. Guinea	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	0.481	0.619	0.722	0.825	0.957	1.000	1.061	1.108	1.116	1.210	1.441	1.300
Gabon	0.544	0.654	0.744	0.825	0.890	1.000	1.087	1.268	1.400	1.482	1.591	1.750
Gambia	0.617	0.722	0.812	0.883	0.937	1.000	1.061	1.176	1.301	1.589	1.880	3.072
Ghana	0.074	0.115	0.249	0.432	0.666	1.000	2.165	2.648	5.901	8.241	9.091	11.324
Guinea	0.879	0.992	0.967	0.929	0.944	1.000	1.098	1.152	1.210	1.270	1.334	1.400
Guinea Bissau	0.678	0.689	0.709	0.774	0.927	1.000	1.000	1.070	1.145	1.225	1.311	1.403
Ivory Coast	0.464	0.519	0.662	0.748	0.872	1.000	1.088	1.168	1.237	1.290	1.314	1.397
Kenya	0.544	0.606	0.696	0.814	0.879	1.000	1.118	1.347	1.502	1.654	1.870	1.944
Lesotho	0.529	0.590	0.688	0.745	0.864	1.000	1.149	1.259	1.471	1.640	1.882	2.070
Liberia	0.649	0.686	0.728	0.781	0.872	1.000	1.076	1.140	1.172	1.186	1.179	1.238
Madagascar	0.643	0.675	0.696	0.742	0.846	1.000	1.305	1.720	2.053	2.255	2.493	2.763
Malawi	0.641	0.669	0.697	0.757	0.840	1.000	1.118	1.228	1.394	1.673	1.741	2.046

Consumer price indices in Tropical Africa
(Base year 1980 = 100)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Mali	0.495	0.568	0.637	0.661	0.874	1.000	1.104	1.174	1.289	1.449	1.562	1.724
Mauritania	0.612	0.700	0.772	0.827	0.903	1.000	1.191	1.341	1.354	1.449	1.624	1.738
Mauritius	0.460	0.519	0.567	0.615	0.704	1.000	1.145	1.275	1.347	1.446	1.543	1.572
Mozambique	-	-	-	-	-	-	-	-	-	-	-	-
Namibia	0.539	0.611	0.692	0.784	0.888	1.000	1.149	1.259	1.470	1.639	1.882	2.133
Niger	0.504	0.623	0.768	0.845	0.907	1.000	1.229	1.372	1.338	1.450	1.437	1.391
Nigeria	0.451	0.551	0.669	0.814	0.909	1.000	1.208	1.301	1.603	2.238	2.361	2.713
Reunion	0.641	0.697	0.764	0.815	0.897	1.000	1.122	1.260	1.369	1.475	1.581	1.739
Rwanda	0.584	0.626	0.712	0.806	0.932	1.000	1.065	1.198	1.277	1.346	1.370	1.360
Sao Tome & Prin.	-	-	-	-	-	-	-	-	-	-	-	-
Senegal	0.721	0.728	0.811	0.838	0.920	1.000	1.059	1.243	1.387	1.551	1.752	1.864
Seychelles	0.530	0.609	0.700	0.782	0.881	1.000	1.106	1.097	1.163	1.209	1.220	1.224
Sierra Leone	0.527	0.618	0.669	0.742	0.900	1.000	1.234	1.565	2.638	4.394	7.760	12.121
Somalia	0.365	0.417	0.461	0.507	0.630	1.000	1.444	1.770	2.414	4.641	6.395	9.130
Swaziland	0.531	0.556	0.672	0.723	0.843	1.000	1.198	1.339	1.488	1.680	2.012	2.247
Togo	0.603	0.673	0.824	0.828	0.890	1.000	1.197	1.330	1.455	1.403	1.378	1.445
Uganda	0.175	0.271	0.455	0.592	0.769	1.000	1.300	2.003	2.483	3.433	7.998	19.635
Untd. Rep. Camr.	0.604	0.664	0.762	0.856	0.913	1.000	1.107	1.254	1.463	1.629	1.674	1.720
Untd. Rep. Tanz.	0.508	0.543	0.606	0.675	0.768	1.000	1.256	1.620	2.058	2.802	3.735	5.378
Western Sahara	-	-	-	-	-	-	-	-	-	-	-	-
Zaire	0.074	0.134	0.227	0.337	0.704	1.000	1.349	1.838	3.255	4.956	6.136	9.437
Zambia	0.493	0.586	0.701	0.816	0.895	1.000	1.140	1.282	1.534	1.841	2.530	4.048
Zimbabwe	0.621	0.689	0.760	0.803	0.949	1.000	1.131	1.252	1.541	1.852	2.009	2.297

Annual average growth rate of consumer price indices in Tropical Africa
(in percent)

Country	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Angola	-	-	-	-	-	-	-	-	-	-	-
Benin	-	-	-	-	-	-	-	-	-	-	-
Botswana	11.7	12.5	11.3	11.4	11.9	12.6	12.4	12.2	11.8	11.4	11.2
Burkina-Faso	-8.3	9.2	8.8	10.3	10.7	10.2	10.4	10.2	9.6	9.3	8.2
Burundi	7.0	6.8	12.2	17.9	16.1	15.4	14.0	13.3	13.4	12.4	11.4
Cape Verde	1.2	4.0	7.1	7.0	8.5	9.0	9.1	9.2	9.3	9.4	9.5
Cent. Afr. Rep.	10.5	10.8	11.0	10.6	11.9	12.0	12.1	12.3	11.3	11.2	11.2
Chad	3.3	5.8	6.4	6.6	6.8	6.9	7.0	7.1	7.1	7.2	7.2
Comoros	15.0	11.3	13.0	13.2	12.8	13.7	16.5	15.2	15.1	15.1	15.1
Congo	7.2	10.8	10.6	9.9	9.4	10.6	10.9	10.6	10.8	10.3	9.6
Djibouti	11.1	16.7	17.8	16.9	16.0	14.2	11.6	10.2	9.2	9.5	10.6
Equat. Guinea	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	28.7	22.5	19.7	18.8	15.8	14.1	12.7	11.1	10.8	11.6	9.5
Gabon	20.2	[illegible]	14.9	13.1	12.9	12.2	12.8	12.5	11.8	11.3	11.2
Gambia	17.0	14.7	12.7	11.0	10.1	9.5	9.7	9.8	11.1	11.8	15.7
Ghana	55.4	83.4	80.1	73.2	68.3	75.5	66.7	72.9	68.8	61.8	58.0
Guinea	12.9	4.9	1.9	1.8	2.6	3.8	3.9	4.1	4.2	4.3	4.3
Guinea Bissau	1.6	2.3	4.5	8.1	8.1	6.7	6.7	6.8	6.8	6.8	6.8
Ivory Coast	11.8	19.4	17.2	17.1	16.6	15.3	14.1	13.0	12.0	11.0	10.5
Kenya	11.4	13.1	14.4	12.8	12.9	12.8	13.8	13.5	13.2	13.1	12.3
Lesotho	11.5	14.0	12.1	13.1	13.6	13.8	13.2	13.6	13.4	13.5	13.2
Liberia	5.7	5.9	6.4	7.7	9.0	8.8	8.4	7.7	6.9	6.2	6.0
Madagascar	5.0	4.0	4.9	7.1	9.2	12.5	15.1	15.6	15.0	14.5	14.2
Malawi	4.4	4.3	5.7	7.0	9.3	9.7	9.7	10.2	11.2	10.5	11.1

Annual average growth rate of consumer price indices in Tropical Africa
(in percent)

Country	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Mali	14.8	13.4	10.1	15.3	15.1	14.3	13.1	12.7	12.7	12.2	12.0
Mauritania	14.4	12.3	10.6	10.2	10.3	11.7	11.9	10.4	10.1	10.2	9.9
Mauritius	12.8	11.0	10.2	11.2	16.8	16.4	15.7	14.4	13.6	12.9	11.8
Mozambique	-	-	-	-	-	-	-	-	-	-	-
Namibia	13.4	13.3	13.3	13.3	13.2	13.4	12.9	13.4	13.2	13.3	13.3
Niger	23.6	23.4	18.8	15.8	14.7	16.0	15.4	13.0	12.5	11.1	9.7
Nigeria	22.2	21.8	21.8	19.1	17.3	17.9	16.3	17.2	19.5	18.0	17.7
Reunion	8.7	9.2	8.3	8.8	9.3	9.8	10.1	9.9	9.7	9.4	9.5
Rwanda	7.2	10.4	11.3	12.4	11.4	10.5	10.8	10.3	9.7	8.9	8.0
Sao Tome & Prin.	-	-	-	-	-	-	-	-	-	-	-
Senegal	1.0	6.1	5.1	6.3	6.8	6.6	8.1	8.5	8.9	9.3	9.0
Seychelles	14.9	14.9	13.8	13.6	13.5	13.0	10.9	10.3	9.6	8.7	7.9
Sierra Leone	17.3	12.7	12.1	14.3	13.7	15.2	16.8	22.3	26.6	30.9	33.0
Somalia	14.2	12.4	11.6	14.6	22.3	25.8	25.3	26.6	32.6	33.1	34.0
Swaziland	4.7	12.5	10.8	12.2	13.5	14.5	14.1	13.8	13.7	14.2	14.0
Togo	11.6	16.9	11.2	10.2	10.7	12.1	12.0	11.6	9.8	8.6	8.3
Uganda	54.9	61.2	50.1	44.8	41.7	39.7	41.7	39.3	39.2	46.5	53.6
Untd. Rep. Camr.	9.9	12.3	12.3	10.9	10.6	10.6	11.0	11.7	11.7	10.7	10.0
Untd. Rep. Tanz.	6.9	9.2	9.9	10.9	14.5	16.3	18.0	19.1	20.9	22.1	23.9
Western Sahara	-	-	-	-	-	-	-	-	-	-	-
Zaire	81.1	75.1	65.8	75.6	68.3	62.2	58.2	60.5	59.5	55.5	55.4
Zambia	18.9	19.2	18.3	16.1	15.2	15.0	14.6	15.2	15.8	17.8	21.1
Zimbabwe	10.9	10.6	8.9	11.2	10.0	10.5	10.5	12.0	12.9	12.5	12.6

Total exports from Tropical Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Angola	899447	579324	489196	1002812	1142010	1960435	1836758	1395569	1705440	1960411	1930223
Benin	48179	45214	46005	53236	50491	58338	42601	46579	76084	114187	163983
Botswana	143497	176057	180048	221618	436012	502883	399760	456751	636131	673832	744544
Burkina-Faso	45293	58027	58108	44423	79974	92150	80878	56664	60527	55950	36274
Burundi	37763	56623	76572	78348	97037	115414	91622	138227	94601	92037	94465
Cape Verde	1455	1936	3152	4424	3519	4768	4293	3083	3185	2677	3283
Cent. Afr. Rep.	50543	63711	88817	78831	92730	127412	121644	101856	108601	129414	108013
Chad	59772	86911	95072	61861	73410	72117	58802	44233	120431	86736	46808
Comoros	5741	21137	8934	17916	26404	14890	23048	23855	18868	12339	17321
Congo	332179	194083	205044	185003	533352	993690	1123834	1264489	1138722	1368303	1143507
Djibouti	1201455	1662574	2246112	2376157	2586665	2962315	2550331	2277472	2028972	2478769	2586166
Equat. Guinea	28058	27950	19937	51648	35807	40400	30013	9675	10850	14370	3180
Ethiopia	23170	12684	19456	16348	15001	27114	29696	26907	24029	31388	29391
Gabon	222037	280973	340429	322810	439937	470834	407531	442197	332209	431863	273170
Gambia	1268771	1481772	1344502	1168986	1956181	2404442	1782563	1720277	1568953	1850691	1814294
Ghana	58744	37034	59082	39530	45134	26997	30632	27793	43493	41322	25254
Guinea	757825	767323	988695	1028680	986099	1108010	846603	903646	500766	410939	516362
Guinea Bissau	142822	204003	254793	305340	318292	416690	422481	428363	401332	469911	466477
Ivory Coast	22914	10247	15817	11693	15822	13262	19474	7237	10490	11169	7561
Kenya	471563	722329	1099260	900503	955452	1169516	1048793	847552	890323	908550	876644
Lesotho	12623	16839	14000	31828	45036	58201	49517	36100	29811	28025	20539
Liberia	509855	566145	508166	567816	688003	739658	714671	744663	786071	700080	889551
Madagascar	318461	297337	369468	400329	406742	391402	324808	323035	310954	353396	284655
Malawi	130891	154456	194458	188899	223211	291724	274340	213188	193144	237020	263234

Total exports from Tropical Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Mali	39025	87633	134122	116081	127537	136062	94445	63298	78128	120094	76935
Mauritania	212701	206851	208902	152491	212138	258504	365728	298404	288998	285097	318467
Mauritius	296995	261628	309091	324906	394248	430809	321173	370291	365976	406550	480162
Mozambique	439687	321337	327384	317107	483490	512340	357119	290756	206011	119441	104159
Namibia	-	-	-	-	-	-	-	-	-	-	-
Niger	108638	146111	210460	332386	501028	691662	474107	255779	261061	202129	204151
Nigeria	8473653	10995830	11875157	10165732	16497108	25509992	16989954	15381593	12206921	12928396	13047768
Reunion	63882	98252	121649	117878	143179	141034	111814	112231	98927	85376	93978
Rwanda	52319	90572	97497	112962	153332	139455	105094	88744	97533	133722	124971
Sao Tome & Prin.	7657	5754	13490	20984	24123	22434	15502	10182	7398	8594	6067
Senegal	448315	490527	632369	398314	519616	449082	463624	395043	413885	362113	321726
Seychelles	2832	3475	24930	4552	5966	6997	6831	5710	35584	31330	39776
Sierra Leone	134976	103586	175856	223563	308606	301544	202879	124503	112242	177633	141768
Somalia	94923	102604	74480	112080	119247	143917	155281	134184	30367	16555	43021
Swaziland	199071	182816	168126	203011	233480	368650	365690	322126	291088	255869	167399
Togo	128131	108454	165651	254544	231497	363319	253260	251417	233691	229617	197788
Uganda	265417	367903	555890	410658	436542	479235	277760	379291	348095	402055	399102
Un. Rep. Camr.	457018	522588	675894	778223	1164797	1346359	1949310	1213592	1835620	2349087	2447092
Untd. Rep. Tanz.	361250	500317	561295	495469	527729	532762	565469	400067	391642	386688	307099
Western Sahara	36904	11576	1762	5199	2390	4269	3409	1679	98	1736	131
Zaire	898636	865146	1143916	929015	2050076	2493064	1982417	1492609	1333024	1710503	1630203
Zambia	862090	1089039	953696	915307	1441992	1542424	1108388	846296	775076	808269	579569
Zimbabwe	121946	100586	101956	55291	14084	406521	665982	655593	646304	652225	632617
Tropical Africa	20499124	24187274	27258696	25604792	36844526	50343147	41149929	34632799	31151656	34136458	33708855

Total imports to Tropical Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Angola	339069	245213	578497	589504	844274	1280643	1457943	886154	671243	792916	990474
Benin	179455	207704	289074	274010	340245	308113	688007	478380	341028	241234	332512
Botswana	217664	208494	275392	353200	520356	691017	798800	687671	735858	706698	583157
Burkina-Faso	153278	145838	209946	215167	283306	336038	339040	347509	288284	122051	242058
Burundi	62949	63570	55873	73577	95445	104459	113083	125244	106680	102452	89729
Cape Verde	45837	44722	51406	54652	50746	74435	62244	56280	100680	83347	87679
Cent. Afr. Rep.	77973	59775	64067	58958	80110	81751	64587	74539	55362	58014	74316
Chad	111113	73647	94938	120433	55164	33947	34100	57643	49113	78624	104914
Comoros	22203	15293	23468	25099	41539	51536	61964	39160	43602	56107	62913
Congo	166357	171439	190351	248839	322937	452374	658407	829964	520125	401929	463699
Djibouti	1140323	1296738	1772413	2324413	2425299	2553013	2477477	2184577	1814144	1010731	1735606
Equat. Guinea	91801	99265	103804	142660	158770	230625	235102	266382	184655	223839	171283
Ethiopia	16561	8498	4759	11332	13867	63139	41939	38868	18881	22987	19649
Gabon	298684	355365	403321	515309	573361	741992	757158	821470	597376	950993	892921
Gambia	473440	530747	711725	569388	562808	681008	843320	821657	691075	635273	761003
Ghana	49519	66731	75804	82956	93455	121552	91627	81771	73633	75701	79771
Guinea	799035	871351	1172858	1010462	869597	1140832	1290961	494319	520019	386244	470259
Guinea Bissau	137073	101773	148536	212843	191054	343616	331196	269629	241314	241932	290489
Ivory Coast	25878	28704	41144	61197	47329	104575	76756	85172	70833	65349	66463
Kenya	926160	990340	1296958	1774623	1660538	2579772	2094329	1609794	1387990	1046143	941306
Lesotho	160109	206437	229195	272414	360570	463753	516207	524214	571133	504033	376540
Liberia	521122	561427	615005	586846	672679	778635	800915	751917	697504	608401	2325180
Madagascar	370453	294688	356764	462733	705690	698515	489955	451239	422941	421567	239475
Malawi	251013	205939	233192	341142	397017	440825	349608	108045	82107	88600	92275

Total imports to Tropical Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Mali	192196	151403	160633	206689	306742	256945	298161	250007	290354	199548	334349
Mauritania	208577	188419	251609	198668	244603	288370	380413	356186	290279	268973	258822
Mauritius	334195	361516	449698	500456	368813	623983	555340	465254	445182	232291	266945
Mozambique	262972	244003	276654	338618	318287	567123	651709	632139	524467	389608	256477
Namibia	-	-	-	-	-	-	-	-	-	-	-
Niger	101989	134251	199469	322179	448495	609260	512899	335827	203786	161013	228053
Nigeria	6110018	8245429	11125396	12966677	10450638	13881390	15951856	11168603	7170514	4939399	5049653
Reunion	410920	449658	502998	593199	778655	840914	794466	803517	848515	790431	840426
Rwanda	55386	63987	71354	110543	129164	156369	151552	144794	143690	101757	113442
Sao Tome & Prin.	7723	7509	11851	20749	18423	30732	24810	21842	7882	10200	11957
Senegal	585125	592610	806553	767978	945432	1085222	1085300	866796	815799	706163	641943
Seychelles	32132	43749	352090	53352	90063	99698	94419	98574	87951	87970	48359
Sierra Leone	159598	167415	136488	218615	235277	273853	211854	161152	168017	114644	112006
Somalia	178539	175709	239652	264175	268940	361969	530044	398005	285146	264449	219570
Swaziland	179768	200092	223920	311287	434715	602198	597368	529185	547707	442483	323576
Togo	175489	188029	286015	454257	519482	557496	444914	437593	485935	285157	322679
Uganda	130064	158515	297132	275772	190333	398658	288511	262004	237802	150221	148492
Untd. Rep. Camr.	599971	596388	747442	1019529	1275188	1544571	1417985	1270462	1188887	1151628	1259267
Untd. Rep. Tanz.	733999	652347	757953	1150936	1081360	1209843	883860	761753	510195	613649	608379
Western Sahara	7758	4022	3927	4630	2137	2874	3100	2901	651	127	175
Zaire	938579	858224	861279	812345	948312	1133355	1017140	926132	866941	814818	842622
Zambia	959085	682371	837610	664046	816128	922584	631319	692441	344839	353339	363775
Zimbabwe	19433	10637	9010	22060	22778	192079	452970	525708	444328	412533	351452
Tropical Africa	19020585	21029981	27607223	31658517	31260121	39995651	41654715	33202473	26194447	21421566	24106110

Balance of total trade in Tropical Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Angola	560378	334111	-89301	413308	297736	679792	378815	509415	1034197	1167495	939749
Benin	-131276	-162490	-243069	-220774	-289754	-249775	-645406	-431801	-264944	-127047	-168529
Botswana	-74167	-32437	-95344	-131582	-84344	-188134	-399040	-230920	-99727	-32866	161387
Burkina-Faso	-107985	-87811	-131838	-170744	-203332	-243888	-258162	-290845	-227757	-72101	-205784
Burundi	-25186	-6947	20699	4771	1592	10955	-21461	12983	-12079	-10415	4736
Cape Verde	-44382	-42786	-48254	-50228	-47227	-69667	-57951	-53197	-97495	-80670	-84416
Cent. Afr. Rep.	-27430	3936	24750	19873	12620	45661	57057	27317	53239	71400	23697
Chad	-51341	13264	134	-58572	18246	38170	24702	-13410	71318	8112	-58106
Comoros	-16462	5844	-14534	-7183	-15135	-36646	-38916	-15305	-24734	-43768	-45592
Congo	165822	22644	14693	-63836	210415	541316	465427	434525	618597	966374	679808
Djibouti	61132	365836	473699	51744	161366	409302	72854	92895	214828	1468038	850560
Equat. Guinea	-63743	-71315	-83867	-91012	-122963	-190225	-205089	-256707	-173805	-209469	-168103
Ethiopia	6609	4186	14697	5016	1134	-36025	-12243	-11961	5148	8401	9742
Gabon	-76647	-74392	-62892	-192499	-133424	-271108	-349627	-379273	-265167	-519130	-619751
Gambia	795331	951025	632777	599598	1393373	1723434	939243	898620	877878	1215418	1053291
Ghana	9225	-29697	-16722	-43426	-48321	-94555	-60995	-53978	-30140	-34379	-54517
Guinea	-41210	-104028	-184163	18218	116502	-32822	-444358	409327	-19253	24695	46103
Guinea Bissau	5749	102230	106257	92497	127238	73074	91285	158734	160018	227979	175988
Ivory Coast	-2964	-18457	-25327	-49504	-31507	-91313	-57282	-77935	-60343	-54180	-58902
Kenya	-454597	-268011	-197698	-874120	-705086	-1410256	-1045536	-762242	-497667	-137593	-64662
Lesotho	-147486	-189598	-215195	-240586	-315534	-405552	-466690	-488114	-541322	-476008	-356001
Liberia	-11267	4718	-106839	-19030	15324	-38977	-86244	-7254	88567	91679	-1435629
Madagascar	-51992	2649	12704	-62404	-298948	-307113	-165147	-128204	-111987	-68171	45180
Malawi	-120122	-51483	-38734	-152243	-173806	-149101	-75268	105143	111037	148420	170959

Balance of total trade in Tropical Africa
(in current thousand US dollars)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Mali	-153171	-63770	-26511	-90608	-179205	-120833	-203716	-186709	-212226	-79454	-257414
Mauritania	4124	18432	-42707	-46177	-32465	-29866	-14685	-57782	-1281	16124	59645
Mauritius	-37200	-99888	-140607	-175550	25435	-193174	-234167	-94963	-79206	174259	213217
Mozambique	176715	77334	50730	-21511	165203	-54783	-294590	-341383	-318456	-270167	-152318
Namibia	-	-	-	-	-	-	-	-	-	-	-
Niger	6649	11860	10991	10207	51533	82402	-38792	-80048	57275	41116	-23902
Nigeria	2363635	2750401	749761	-2800945	6046470	11628602	3038098	4212990	5036407	7988997	7998115
Reunion	-347038	-351406	-381349	-475321	-635476	-699880	-682652	-691286	-749588	-705055	-746448
Rwanda	-3067	26585	26143	2419	24168	-16914	-46458	-56050	-46157	31965	11529
Sao Tome & Prin.	-66	-1755	1639	235	5700	-8298	-9308	-11660	-484	-1696	-5890
Senegal	-136810	-102063	-174184	-369664	-425816	-636140	-621676	-471753	-401914	-344050	-320217
Seychelles	-29300	-40274	-327160	-48800	-84097	-92701	-87588	-92864	-52367	-56640	-8583
Sierra Leone	-24622	-63829	39368	4948	73329	27691	-8975	-36649	-55775	62989	29762
Somalia	-83616	-73105	-165172	-152095	-149693	-218052	-374763	-263821	-254779	-247894	-176549
Swaziland	19303	-17276	-55794	-108276	-201235	-233548	-231678	-207059	-256619	-186614	-156177
Togo	-47358	-79575	-120364	-199713	-287985	-194177	-191654	-186176	-252244	-55540	-124891
Uganda	135353	209388	258758	134886	246209	30577	-10751	117287	110293	251834	250617
Untd. Rep. Camr.	-142953	-73800	-71548	-241306	-110391	-198212	531325	-56870	646733	1197459	1187825
Untd. Rep. Tanz.	-372749	-152030	-196658	-655467	-553631	-677081	-318391	-361686	-118553	-226961	-301280
Western Sahara	29146	7554	-2165	569	253	1395	309	-1222	-553	1609	-44
Zaire	-39943	6922	282637	116670	1101764	1359709	965277	566477	466083	895685	787581
Zambia	-96995	406668	116086	251261	625864	619840	477069	153855	430237	454930	215794
Zimbabwe	102513	89949	92946	33231	-8694	214442	213012	129885	201976	239692	281165
Tropical Africa	1478539	3157293	-348527	-6053725	5584405	10347496	-504786	1430326	4957209	12714892	9602745

Annual average exchange rates in Tropical Africa
(in national currency per US dollar)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Angola	25.408	25.553	30.223	29.918	29.918	29.918	28.483	29.450	30.214	30.214	29.950	29.920
Benin	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	364.300
Botswana	0.732	0.870	0.842	0.828	0.815	0.777	0.833	1.022	1.096	1.284	1.888	1.868
Burkina-Faso	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Burundi	78.000	86.250	90.000	90.000	90.000	90.000	90.000	90.000	92.250	119.710	120.690	114.170
Cape Verde	25.543	30.229	34.046	35.501	37.433	40.175	48.695	58.293	71.686	84.878	89.050	80.764
Cent. Afr. Rep.	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Chad	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Comoros	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Congo	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Djibouti	177.720	177.720	177.720	177.720	177.720	177.720	177.720	177.720	177.720	177.720	177.720	177.720
Equat. Guinea	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Ethiopia	2.070	2.070	2.070	2.070	2.070	2.070	2.070	2.070	2.070	2.070	2.070	2.070
Gabon	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Gambia	1.800	2.215	2.292	2.084	1.886	1.720	1.973	2.285	2.637	3.583	3.857	6.826
Ghana	1.150	1.150	1.150	1.515	2.750	2.750	2.750	2.750	3.450	35.461	54.054	89.286
Guinea	20.673	21.382	21.144	19.724	19.107	18.969	20.948	22.366	23.095	24.090	24.123	343.636
Guinea Bissau	25.540	30.230	33.640	35.040	34.060	33.810	37.340	39.870	42.100	105.290	158.530	203.106
Ivory Coast	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Kenya	7.343	8.367	8.277	7.729	7.475	7.420	9.047	10.922	13.312	14.414	16.432	16.226
Lesotho	0.732	0.870	0.870	0.870	0.842	0.778	0.870	1.082	1.112	1.438	2.191	2.26[illegible]
Liberia	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.600
Madagascar	214.310	238.950	245.680	225.660	212.720	211.280	271.730	349.740	430.450	576.600	662.480	676.340
Malawi	0.864	0.913	0.903	0.844	0.817	0.812	0.895	1.056	1.175	1.413	1.719	1.861

Annual average exchange rates in Tropical Africa
(in national currency per US dollar)

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Mali	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Mauritania	43.104	45.022	45.587	46.163	45.893	45.914	48.296	51.769	54.812	63.803	77.085	74.375
Mauritius	6.027	6.682	6.607	6.163	6.308	7.684	8.937	10.873	11.706	13.800	15.442	13.466
Mozambique	25.550	30.230	33.020	33.000	32.560	32.000	35.945	37.864	40.177	43.960	43.850	46.280
Namibia	0.732	0.870	0.870	0.870	0.842	0.778	0.870	1.082	1.112	1.438	2.184	2.288
Niger	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	371.060	436.960	449.260	346.300
Nigeria	0.616	0.627	0.645	0.635	0.599	0.546	0.614	0.673	0.723	0.764	0.892	0.742
Reunion	4.286	4.779	4.914	4.513	4.254	4.226	5.435	6.572	7.621	8.739	8.985	6.926
Rwanda	92.840	92.840	92.840	92.840	92.840	92.840	92.840	92.840	94.340	100.170	101.260	87.640
Sao Tome & Prin.	25.543	30.229	37.558	36.155	35.025	34.771	38.399	40.999	42.335	44.159	42.219	38.417
Senegal	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Seychelles	6.027	7.419	7.643	6.952	6.333	6.392	6.315	6.553	6.768	7.059	7.134	6.177
Sierra Leone	0.900	1.107	1.146	1.046	1.057	1.050	1.157	1.238	1.678	2.510	4.730	8.396
Somalia	6.295	6.295	6.295	6.295	6.295	6.295	6.295	10.750	15.788	20.019	39.487	72.000
Swaziland	0.732	0.870	0.870	0.870	0.842	0.778	0.870	1.082	1.112	1.438	2.184	2.269
Togo	214.310	238.950	245.680	225.660	212.720	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Uganda	7.420	8.270	8.260	7.740	7.480	7.420	50.050	94.050	153.860	359.700	672.020	1400.000
Untd. Rep. Camr.	214.310	238.950	245.680	225.660	212.072	211.280	271.730	328.610	381.060	436.960	449.260	346.300
Untd. Rep. Tanz.	7.367	8.377	8.289	7.712	8.217	8.197	8.284	9.283	11.143	15.292	17.472	32.698
Western Sahara	-	-	-	-	-	-	-	-	-	-	-	-
Zaire	0.500	0.792	0.857	0.836	1.729	2.800	4.384	5.750	12.889	36.129	49.873	59.625
Zambia	0.643	0.713	0.790	0.800	0.793	0.788	0.868	0.928	1.251	1.794	2.714	7.305
Zimbabwe	0.568	0.625	0.629	0.677	0.680	0.643	0.689	0.757	1.011	1.244	1.612	1.665

MVA and its share in GDP in Tropical Africa
(in million current US dollars and percent)

Country	1975		1976		1977		1978		1979		1980		1981	
	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%
Angola	109	3.8	80	2.6	76	2.2	75	1.9	79	1.7	98	2.6	84	2.0
Benin	49	9.3	37	6.6	39	6.3	42	5.6	48	5.3	52	4.5	47	4.2
Botswana	31	10.7	32	10.2	33	8.8	58	13.3	40	6.3	68	7.5	79	8.4
Burkina-Faso	93	14.5	96	15.4	107	14.2	123	12.5	167	13.7	190	14.2	168	14.4
Burundi	47	11.1	59	13.2	70	12.7	75	12.3	83	10.6	92	9.6	102	10.3
Cape Verde	5	10.4	4	8.9	3	6.5	4	7.5	4	6.7	5	7.7	4	6.1
Cent. Afr. Rep.	49	11.3	47	10.9	58	12.5	77	13.6	92	13.9	101	12.7	80	11.5
Chad	75	14.0	71	14.1	71	13.1	77	11.4	84	15.1	84	16.7	57	10.4
Comoros	6	0.0	3	5.6	3	5.2	4	5.3	5	5.0	6	4.7	6	5.4
Congo	48	6.4	48	6.6	58	7.8	75	8.5	91	7.6	104	6.1	88	4.4
Djibouti	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equat. Guinea	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	313	11.7	322	11.1	336	10.2	412	11.7	443	11.5	468	11.4	500	11.6
Gabon	115	5.3	154	5.1	201	7.2	206	8.6	223	7.4	262	6.1	227	5.9
Gambia	9	7.3	9	7.2	9	5.8	8	4.6	6	2.7	7	2.8	6	2.8
Ghana	652	14.2	757	13.3	1064	11.0	1213	8.8	899	8.8	1300	8.7	2910	10.4
Guinea	42	3.8	36	3.2	37	3.1	46	3.5	49	3.6	55	3.6	58	4.2
Guinea Bissau	1	0.9	1	0.9	1	0.7	2	1.3	3	1.7	3	1.7	3	1.7
Ivory Coast	547	14.0	595	12.8	727	11.6	890	11.3	952	10.4	1102	10.4	903	10.6
Kenya	385	11.9	385	11.1	484	10.8	640	12.0	645	10.6	793	11.2	884	13.2
Lesotho	9	5.9	8	4.9	10	4.7	14	5.1	17	5.3	18	[illegible].3	18	4.4
Liberia	33	5.4	41	6.5	45	6.4	49	6.3	76	8.6	70	7.6	60	6.9
Madagascar	218	11.7	236	13.4	248	13.3	282	13.3	366	13.4	411	12.9	373	13.2
Malawi	87	14.2	96	14.3	125	15.5	163	17.2	200	19.1	242	19.6	251	20.4

MVA and its share in GDP in Tropical Africa
(in million current US dollars and percent)

Country	--- 1975 ---		--- 1976 ---		--- 1977 ---		--- 1978 ---		--- 1979 ---		--- 1980 ---		--- 1981 ---	
	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%	MVA	%
Mali	51	4.1	52	3.6	60	3.6	80	4.1	98	4.0	109	3.8	102	4.2
Mauritania	21	4.7	24	4.7	30	5.6	34	6.3	39	6.4	44	6.4	48	7.2
Mauritius	115	18.3	113	18.4	123	16.4	146	16.1	180	14.9	179	15.8	180	15.8
Mozambique	312	8.0	194	5.8	183	5.8	205	10.4	211	9.9	246	9.9	230	10.1
Namibia	87	9.8	78	8.9	80	8.2	79	6.9	86	5.7	129	7.3	113	6.8
Niger	60	8.2	59	6.1	66	5.6	87	5.4	109	5.2	123	4.9	105	4.8
Nigeria	2011	5.7	2461	5.6	2580	5.1	2992	5.3	3645	5.1	4631	5.4	4613	6.0
Reunion	44	4.2	42	3.9	47	3.9	55	3.8	67	3.8	74	3.7	65	3.4
Rwanda	72	12.7	84	12.6	113	14.7	141	16.1	135	13.0	184	15.8	196	14.3
Sao Tome & Prin.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senegal	268	14.1	267	13.9	313	19.1	363	16.6	423	15.5	447	15.0	361	14.6
Seychelles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sierra Leone	54	8.5	50	9.0	60	9.2	81	10.0	84	8.6	87	7.9	89	8.0
Somalia	47	6.7	48	5.8	57	5.5	60	4.8	71	5.7	118	7.5	165	6.6
Swaziland	83	28.8	77	28.3	87	28.7	93	25.0	110	24.8	140	23.4	150	23.6
Togo	43	7.2	45	7.9	52	7.6	58	6.8	56	5.5	81	7.2	61	6.5
Uganda	193	6.4	193	6.0	293	5.0	416	5.0	572	5.4	757	5.6	134	4.8
Untd. Rep. Camr.	331	12.2	352	12.8	343	10.7	437	10.2	532	9.9	600	9.3	545	8.2
Untd. Rep. Tanz.	269	10.4	305	10.1	361	10.6	412	9.8	437	9.9	453	8.6	450	7.3
Western Sahara	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zaire	325	8.5	248	6.9	265	5.7	318	4.9	202	3.1	158	2.6	128	2.4
Zambia	409	16.6	401	15.1	414	16.5	490	17.4	568	16.9	674	17.3	661	16.5
Zimbabwe	879	25.0	874	25.2	863	24.7	860	24.7	1145	27.6	1478	27.6	1674	26.0
Tropical Africa	8603	9.1	9088	8.4	10199	8.0	11945	8.0	13346	7.6	16245	7.8	16979	8.5