

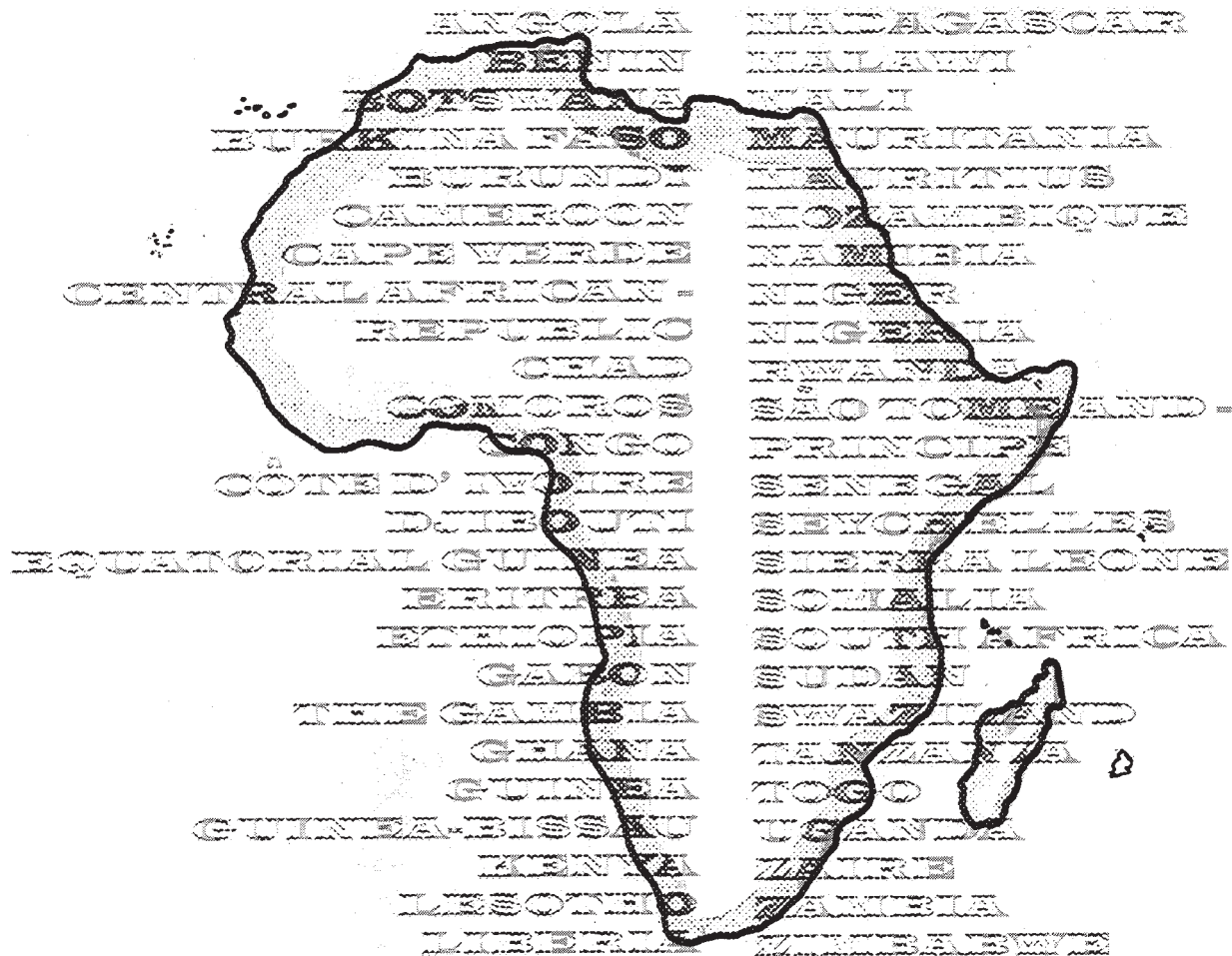
U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy

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U.S. International Trade Commission

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ABSTRACT

This is the third annual report in a 5-year series requested by the U.S. Trade Representative. The report provides for 1996: (1) data on total U.S.-Sub-Saharan Africa trade and investment flows by selected major sectors and by regional groupings; (2) an identification of major developments in the World Trade Organization (WTO) and in U.S. trade and economic policy and commercial activities that significantly affect bilateral trade and investment with the region; (3) information on changing trade and economic activities within the individual countries; and (4) an update on progress in regional integration in Africa.

In 1996, Sub-Saharan Africa accounted for about 1 percent of U.S. merchandise exports and 2 percent of U.S. imports. U.S. imports from the region rose to a record high in 1996, due largely to price increases in crude oil imports. Global foreign direct investment (FDI) in the region is concentrated in only a few countries and a few economic sectors. Of the \$2.6 billion global FDI invested in the region in 1996, about \$1 billion went to the oil-producing sectors in Nigeria and Angola. U.S. investment (as measured by capital flows) in Sub-Saharan Africa totaled \$540 million in 1996, down from nearly \$797 million in 1995, and below the 1992-96 period peak of \$865 million in 1993. The region remained a relatively insignificant destination for new U.S. investment; in 1996, Sub-Saharan Africa received only 0.6 percent of U.S. worldwide investment.

The foremost development in the WTO relevant to Sub-Saharan Africa was the adoption of a plan to develop a comprehensive approach to multilateral measures assisting the least developed nations. U.S. government programs directed toward the region generally increased in 1996 from the previous year. Some progress was made during the year toward regional integration.

Executive Summary

This is the third annual report in a 5-year series requested by the U.S. Trade Representative. The report provides for 1996: (1) data on total U.S.-Sub-Saharan Africa trade and investment flows by selected major sectors and by regional groups; (2) an identification of major developments in the World Trade Organization and in U.S. trade and economic policy and commercial activities that significantly affect bilateral trade and investment with the region; (3) information on changing trade and economic activities within the individual countries; and (4) an update on progress in regional integration in Africa. A number of data sources were used to compile the information in this report, including staff travel to the region to meet with public and private sector representatives, and information supplied by U.S. embassy officials.

Factors Influencing U.S. Trade with Sub-Saharan Africa

- More than 30 Sub-Saharan African countries are opening their economies to global trade and foreign investment by removing exchange controls, liberalizing investment regimes, privatizing state-owned enterprises, eliminating subsidies, ending price controls, and instituting tighter disciplines over government spending. But many of these countries also have high tariffs, inadequate and fragmented infrastructure, cumbersome and inefficient bureaucracies and other problems that hinder the expansion of trade and investment.
- The following factors are believed to generally influence U.S. trade and investment with Sub-Saharan Africa: historical commercial and cultural relationships between the region and former European colonial powers; the availability of preferential trade programs for developing countries; macroeconomic conditions; transportation costs between Africa and the Americas; local market conditions and productivity; physical infrastructure; political stability; a fair and transparent legal system; and the business climate.

U.S.-Sub-Saharan Africa Trade

- Sub-Saharan Africa accounted for about 1 percent of U.S. merchandise exports and 2 percent of U.S. merchandise imports in 1996. U.S. merchandise exports to Sub-Saharan Africa totaled \$6.0 billion in 1996, up from \$5.3 billion in 1995. U.S. imports rose to a record high \$15.1 billion in 1996, up from \$12.9 billion in 1995, due largely to price increases in crude oil imports. The U.S. merchandise trade deficit with Sub-Saharan Africa rose to over \$9 billion—a record high, outpacing the \$8.6 billion trade deficit of 1990.
- Transportation equipment, agricultural products, machinery, electronic products, and chemicals are the largest U.S. merchandise export sectors with respect to Sub-Saharan Africa. Combined, these five sectors accounted for 80 percent of the value of U.S. merchandise exports to the region in 1996. Exports of transportation equipment increased by more than 44 percent during 1995-96, with exports to South Africa (the region's largest purchaser of U.S. transportation equipment) up by 18 percent and exports to Nigeria (the second largest purchaser of U.S. transportation equipment) up by 88 percent.
- A 19.3 percent increase in imports of energy-related products during 1995-96 (mainly due to crude oil price increases, with Nigeria the leading supplier) accounted for a large portion of the increase in imports from Sub-Saharan Africa; energy-related products made up 71 percent of total U.S. imports from the region in 1996. Imports of minerals and metals (mostly platinum-group

metals, with South Africa the leading supplier) increased by 1.6 percent, and were the second-leading category of U.S. imports from the region. Imports of agricultural products (chiefly tropical products such as cocoa products, coffee and tea, natural gums and resins, and vanilla beans, with Côte d'Ivoire the leading supplier) grew by 6 percent and also were significant during 1996.

- The major U.S. export markets in Sub-Saharan Africa remain South Africa and Nigeria. These countries together accounted for 63 percent of U.S. exports to the region. Other important markets in 1996 and their export shares were Ghana (4.9 percent of regional exports) and Angola (4.4 percent).
- Major import suppliers include Nigeria (more than 96 percent of U.S. imports from that country were energy-related products), Angola, South Africa, and Gabon. These four countries accounted for 84 percent of U.S. imports from Sub-Saharan Africa in 1996. Imports from Angola and Gabon also were heavily concentrated in energy-related products, particularly crude oil. Imports from South Africa were more diversified across sectors.
- The average trade-weighted duty rate on U.S. imports from Sub-Saharan Africa fell from 1.7 percent ad valorem in 1995 to 1.5 percent in 1996. The highest tariffs on U.S. imports from Sub-Saharan Africa were on textiles and apparel (17.9 percent), footwear (12.2 percent), and agricultural products (8.8 percent). The lowest tariffs were on energy-related products (0.5 percent), machinery (2.3 percent), and transportation equipment (3.0 percent). In 1996, 58.4 percent of U.S. imports from the region were dutiable.
- U.S. imports under the Generalized System of Preferences (GSP) program rose from \$488.8 million in 1995 to \$588.2 million in 1996, or by 20.3 percent, and accounted for 3.9 percent of the total value of U.S. imports from the region. Much of this increase was due to higher imports from South Africa, which rose from \$357 million in 1995 to \$429.3 million in 1996, equivalent to 73 percent of such imports from the region in 1996.

Foreign Investment in Sub-Saharan Africa

- Global foreign direct investment (FDI) in Sub-Saharan Africa is concentrated in only a few countries and a few economic sectors. Global FDI in Sub-Saharan Africa increased from \$2.2 billion in 1995 to \$2.6 billion in 1996. Of this amount, approximately \$600 million went to Nigeria's oil-producing and exporting sector, and more than \$400 million to oil-exporting Angola; other leading recipients were Ghana, Gabon, Cameroon, and Zambia. The investment-grade South African economy led Sub-Saharan Africa as a recipient of commercial bank loans and foreign portfolio investment (including bond issues).
- U.S. investment (as measured by capital flows) in Sub-Saharan Africa totaled \$540 million in 1996, down from nearly \$797 million in 1995, and below the 1992-96 period peak of \$865 million in 1993. On a global basis, Sub-Saharan Africa remains a relatively insignificant destination for new U.S. investment. In 1996, investment in Sub-Saharan Africa was 0.6 percent of U.S. worldwide investment, down from the 1992-96 period peak of 1.1 percent in 1993. During 1996, the leading destinations of U.S. investment in the region were Nigeria (\$263 million or 48.7 percent of the regional total) and South Africa (\$258 million or 47.8 percent of the total).

Regional Economic Integration

- During the year under review, the West African Economic and Monetary Union (WAEMU) continued to make progress towards the scheduled January 1, 1998 establishment of a regional customs union of primarily former French colonies (WAEMU members are Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, Togo, and Guinea-Bissau). The Southern African Development Community (SADC) also made significant progress towards consolidating regional economic integration and made some headway towards its goal of establishing a regional

free-trade area by the year 2000 (SADC members are Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe). SADC signed a memorandum of understanding with the United States in 1996 to enhance economic, trade, and investment relations.

- However, progress towards the creation of a customs union by the members of the Common Market for Eastern and Southern Africa (COMESA) slowed significantly during 1996, as a result of diminished political and financial support for the organization by its members, intra-regional conflicts between members, and domestic unrest within members (COMESA members are Angola, Burundi, Comoros, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Sudan, Swaziland, Tanzania, Uganda, Zaire, Zambia, and Zimbabwe).

Finance, Trade, and Development Issues Affecting U.S.-Sub-Saharan Africa Trade and Investment Opportunities

- At the World Trade Organization (WTO) Ministerial Meeting in Singapore in December 1996, Ministers adopted the Comprehensive and Integrated Plan of Action for Least-Developed Countries. The plan was designed to develop an approach to multilateral assistance measures for the least-developed countries. Initial participants in the program to provide assistance to least-developed countries are the WTO, International Monetary Fund (IMF), World Bank, and United Nations agencies.
- Financial activity in Sub-Saharan Africa by international organizations generally declined in 1996. Activity by the World Bank Group — the Multilateral Investment Guarantee Agency, the International Finance Corporation, and the International Development Association — all declined in 1996. Total loan disbursements to Sub-Saharan Africa by the IMF also declined. In other developments, the IMF and the World Bank jointly agreed to a debt initiative that was designed to reduce to sustainable levels the debt burden of heavily indebted poor countries.
- U.S. Government programs directed toward Sub-Saharan Africa generally increased in 1996 from the previous year. The Overseas Private Investment Corporation (OPIC) insured more than \$171 million in new investments in Sub-Saharan Africa in 1996, up by 54 percent from 1995. OPIC's finance program accounted for \$80 million, an increase of 26 percent over the 1995 level. Support from the Export-Import Bank of the United States (Eximbank) in the form of loans, guarantees, and medium-term insurance to sub-Saharan Africa increased from \$2.7 billion in 1995 to \$3.1 billion in 1996. Obligations by the Trade and Development Agency in Sub-Saharan Africa increased from \$3.9 million in 1995 to \$5.0 million in 1996. The U.S. Agency for International Development (USAID), however, allocated \$632 million for programs in Sub-Saharan Africa, 25 percent less than in 1995.
- On May 30, 1997, as part of a legislative package to renew the Generalized System of Preferences (GSP) program, President Clinton designated 1,783 products eligible for GSP duty-free treatment when those products are produced in the least-developed beneficiary developing countries, most of which are in Sub-Saharan Africa.

U.S. and Sub-Saharan African Economic and Trade Policies Affecting U.S. Trade and Investment in Major Sectors

- During 1995-96, the U.S. trade surplus with Sub-Saharan Africa in **agricultural products** fell by \$215.9 million (86 percent) to \$33.8 million. Grains and vegetable oils, the main commodities to the region, were exported in lesser amounts than in past years, due partly to record-low stocks, high grain prices, and U.S. export-promotion and food-assistance programs being scaled back in 1996. Concerns about decreased global food aid were expressed by African and other food-deficit developing countries at the 1996 World Food Summit. Among the major trading partners in the

region that continued to reform their import policies and domestic agricultural support programs, Nigeria reduced duties and port charges on wheat and rice (the two leading U.S. agricultural exports), but still banned corn imports. South Africa completed a revamping of its agricultural marketing boards and eliminated export subsidies by the end of 1996. U.S. imports of sugar and tobacco from a number of countries in the region were affected by 1996 adjustments to tariff-rate quotas on these products.

- The United States registered a trade surplus of \$90.4 million in **forest products** with Sub-Saharan Africa in 1996, which was \$44.6 million (33 percent) less than in 1995. South Africa, the largest U.S. sector trading partner in the region, reduced tariffs on paper and paperboard, the major sector exports to the region. Regional policy developments focused on conservation of tropical-hardwoods resources in addition to trade liberalization, but the impact of these developments on U.S.-Sub-Saharan Africa trade are likely to be insignificant; rather, potential for U.S. sector export growth is dependent on an increase in the region's overall paper consumption.
- The U.S. trade surplus with Sub-Saharan Africa in **chemicals and related products** decreased from \$478.9 million in 1995 to \$268.9 million in 1996. In this sector, Sub-Saharan African countries are only minor trading partners and trade with the United States is limited to specific products. U.S. exports consisted mainly of intermediate chemicals to South Africa and Nigeria to meet shortfalls in local production. The increased value of U.S. imports, consisting mainly of aromatic chemicals produced in Nigerian refineries from crude petroleum, resulted largely from increased prices in 1996.
- The United States' trade deficit with Sub-Saharan Africa in **energy-related products** widened from \$8.9 billion in 1995 to \$10.6 billion in 1996, as the value of imports from the region rose sharply due mainly to increased world crude-petroleum prices. However, U.S. energy exports to the region also rose, with increased demand for clean-burning U.S. coal for electric-power generation, driven by South Africa's economic recovery. Among the sector activities in the region, Angola plans to open additional energy sectors to foreign investment, and South African energy companies are striving to expand into neighboring countries. The funding of joint-venture operations in Nigeria was impeded during the year by the national petroleum company's budgetary shortfalls.
- The U.S. trade deficit in **textiles and apparel** with Sub-Saharan Africa declined by \$60.7 million (31 percent) from the 1995 level to \$194.4 million in 1996. Decreased imports of sector products were attributed, in part, to the continued effects of U.S. import quotas from two Sub-Saharan producers and declining competitiveness of regional apparel products. U.S. exports of used clothing to the region have been growing in recent years, but this has also reduced demand for locally made clothing, which has led to a decline in production and employment in the textile and apparel industries in several countries. Increased growth of U.S. import quotas are provided for under the WTO Agreement on Textiles and Clothing. Legislation currently pending in Congress, the *African Growth and Opportunity Act*, would eliminate current U.S. import quotas, provided there are safeguards against transshipment, and allow for sector products currently excluded from the GSP to be considered for duty-free treatment under the program.
- After several years of increasing deficits, the U.S. trade deficit with Sub-Saharan Africa in **minerals and metals** was largely unchanged, shrinking only \$25.1 million (1 percent) to \$1.9 billion during 1995-96. Net export growth in U.S. sector trade with the region was due largely to increased exports of steel mill products and particularly to large transfers of nonmonetary gold bullion. Extension of additional GSP benefits to Zambia and Zaire may enhance competitiveness of their cobalt alloys in the U.S. market, but these countries have limited capacity to expand production in the immediate future. Many countries continued structural-economic reforms, including liberalization of investment and mining regulations, which portend further U.S. trade and investment in the region. South Africa, the United States' largest sector trading partner in the region, continued reducing tariffs and subsidies, although scheduled duty-rate reductions on flat-rolled aluminum mill products were slowed in response to local industry concerns. Several

U.S. mining companies were successful bidders for certain assets in Zambia's privatization of its debt-ridden state copper-mining company.

- The United States continued to experience an overall trade surplus in **machinery** with Sub-Saharan Africa in 1996, which increased by \$101.6 million (17 percent) to \$687.0 million compared to 1995. Despite shortages of foreign exchange, economic slowdowns, and high import duties on machinery in some countries, growth in U.S. sector exports benefited from duty suspensions and tax incentives for imported capital equipment granted by many countries in the region. South Africa, the largest market for U.S. machinery, agreed to reclassify certain U.S. washing machines, which removed duties as high as 30 percent. As in the previous year, increased U.S. machinery imports in 1996 were due primarily to increased imports from South Africa under the GSP program. The numerous resource-development, manufacturing, and infrastructure projects in the region, sponsored by multilateral lenders, have the potential to increase demand for U.S. machinery.
- The U.S. trade surplus with Sub-Saharan Africa in **transportation equipment** increased by \$506.4 million (45 percent) in 1996 to reach \$1.6 billion. Increased sector exports reflected continued development efforts in the region, particularly infrastructure development, growth of the mining industry, and promotion of tourism. U.S. exports to leading markets continue to be subject to high tariffs, although South Africa continued reducing certain tariffs for the principal U.S. sector exports to the region in 1996. South Africa's import credits, allowances, and export-oriented rebates to its automobile industry have come under scrutiny for possible conflict with the WTO. Policy reforms and infrastructure investment by several Sub-Saharan African countries offer the potential for increased demand for U.S. transportation equipment, although transparency problems in tendering procedures and budgetary shortfalls have been experienced. U.S. bilateral and multilateral support for infrastructure, mining, and energy projects also provides opportunities for U.S. exports of transportation equipment.
- During 1996, the United States maintained a \$676.6 million trade surplus in **electronics and related products** with Sub-Saharan Africa, down slightly (\$27.3 million or 4 percent) from the 1995 level. Growth in U.S. exports of sector products to the region, especially of telecommunications and computer equipment, of which the United States is a global leader, was due largely to the region's widespread need for upgrading and expanding its telecommunications and computing capabilities. Problems with intellectual-property protection and its enforcement are widespread. Improvements during 1996 include Kenya's extension of its Copyright Act to protect computer programs. A number of U.S. companies have already invested in Tanzania's telecommunications sector. Privatization of telecommunications in the region and multilateral funding of infrastructure improvements should benefit U.S. producers and vendors of telecommunications equipment, automatic data-processing equipment, and computer software.
- The U.S. trade surplus with Sub-Saharan Africa in **miscellaneous manufactures** totaled a comparatively modest \$6.0 million in 1996, down from \$7.3 million in 1995. U.S. exports continued to be hampered by the region's restrictive trade policies, although Nigeria removed the import ban on furniture. This policy change will likely have little effect on U.S. trade, for South Africa has been the major market for U.S. furniture in the region. U.S. imports continued to be hampered by the lack of a regional manufacturing base outside of South Africa capable of producing export-quality finished goods at competitive prices. Many sector products are eligible for GSP benefits, but U.S. luggage and handbag manufacturers, concerned over the adverse impact that imports from less-developed countries have already inflicted upon their industry, opposed eliminating the GSP exclusion for these items.
- The United States continued to record a sizable trade surplus in **services** trade with Africa, which was \$932 million in 1995, because few countries in the region have indigenous service providers that are active internationally. However, service industries such as tourism, education, telecommunications, health care, and finance are being developed in some Sub-Saharan Africa countries. Some of these countries have adopted policies to enhance efficiency and further

integrate their markets into the global economy, but vestiges of trade-restricting policies remain. Numerous projects were supported by U.S. bilateral and multinational funding to upgrade the region's capabilities to provide services, along with encouraging reforms to privatize and liberalize the provision of services. Scheduled commitments of Sub-Saharan African countries under the WTO's General Agreement on Trade in Services (GATS) are modest and are likely to have little impact on U.S. trade in the near future. Longer-term effects may be substantial, given that GATS signatories have committed to participate in negotiations to liberalize international trade and investment.

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GLOSSARY OF ABBREVIATIONS

AfDB	African Development Bank
AfDF	African Development Fund
AEF	Africa Enterprise Fund
ATWT	Average trade-weighted tariff
AVE	<i>Ad valorem</i> equivalent
COMESA	Common Market for Eastern and Southern Africa
ECOWAS	Economic Community of West African States
EEP	Export Enhancement Program
EMP	Emerging Markets Program
EU	European Union
Eximbank	Export-Import Bank of the United States
FDI	Foreign direct investment
GATT	General Agreement on Tariffs and Trade
GEIS	General Export Incentive Scheme
GDP	Gross domestic product
GNP	Gross national product
GSP	Generalized System of Preferences
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
MIGA	Multilateral Investment Guarantee Agency
MFA	MultiFibre Arrangement
NTB	Non-tariff barrier
OECD	Organization for Economic Cooperation and Development
OPIC	Overseas Private Investment Corporation
PTA	Preferential trade area
PTC/EAC	Permanent Tripartite Commission of the East African Community
SACU	Southern African Customs Union
SADC	Southern African Development Community
TDA	Trade and Development Agency
TRIMs	Trade-related investment measures
TRIPs	Trade-related aspects of intellectual property
UNCTAD	United Nations Conference on Trade and Development
UR	Uruguay Round
URA	Uruguay Round Agreements
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission
USTR	U.S. Trade Representative (title) and Office of United States Trade Representative
WAEMU	West African Economic and Monetary Union
WAMA	West African Monetary Agency
WTO	World Trade Organization

CHAPTER 1

Introduction

The 48 countries of Sub-Saharan Africa form a region of enormous potential. With more than 600 million people and the world's largest reserves of such strategic minerals as gold, platinum, cobalt, and chromium, it is richly endowed with natural and human resources. It is also a region of enormous economic diversity; by varying degrees, and with varying levels of success, leaders in more than 30 Sub-Saharan countries are opening their economies to foreign trade and investment. They are removing exchange controls, liberalizing investment regimes, privatizing state-owned enterprises, eliminating subsidies, ending price controls, and instituting tighter disciplines over government expenditures. By allowing markets to function and political competition to flourish, this new generation of leaders is creating a new environment for international trade and investment. According to the United Nations Economic Commission for Africa, African economies grew by an average of 3.9 percent in 1996, the best record in a decade.¹ And according to International Monetary Fund (IMF) officials, this improved performance is credited, in part, to the implementation in a number of countries of sound financial policies and market-oriented structural reforms.²

Yet, to a great extent, Sub-Saharan Africa remains underdeveloped. Although the region overall has experienced improved growth rates over the past 2 years and its development prospects are promising, poverty reduction remains a significant challenge. Annual per capita income averages less than \$700 in the region and, by virtually every social and economic indicator, Sub-Saharan Africa has not performed as well as other developing regions.

Purpose of the Report

Section 134 of the Uruguay Round Agreements Act³ (URAA) directed the President to develop a

¹ Average GDP growth in Africa was 0.7 percent in 1990; 1.5 in 1991; 0.2 in 1992; -0.1 in 1993; 2.0 in 1994; and 2.7 in 1995. United Nations, "Africa records stronger growth," *Africa Recovery*, vol. 11, No. 1, July 1977, p. 13.

² *IMF Survey*, "Building on Africa's Progress," vol. 26, No. 13, Jul. 7, 1997.

³ 19 U.S.C. 3554.

comprehensive trade and development policy for the countries of Africa and to report to the Congress annually for 5 years on the steps taken to carry out that mandate. The Statement of Administrative Action⁴ that was approved by the Congress in the URAA broadly outlines the Administration's plans for this work and the assistance to be provided by the U.S. International Trade Commission (USITC or the Commission). In a request from the U.S. Trade Representative,⁵ the Commission was asked to submit annually for 5 years, a report that provides:

- An update, for the latest year available, on U.S.-Africa trade and investment flows for both overall totals and for the following sectors: agriculture, forest products, textiles and apparel, footwear, energy, chemicals, minerals and metals, machinery, transportation equipment, electronic products, miscellaneous manufactures, and services. Basic trade flow information should also be provided for U.S. trade with the following regional groups: the Southern African Customs Union (SACU), the Southern African Development Community (SADC), the West African Economic Monetary Union (WAEMU), and the Common Market for Eastern and Southern Africa (COMESA).
- An identification of major developments in the World Trade Organization (WTO) and U.S. trade/economic policy and commercial activities which significantly affect U.S.-Africa trade and investment flows by sector during the latest year. Similarly, to the extent possible, changing trade and economic activities within African countries that have a significant impact should be highlighted.
- Progress in regional integration in Africa.

⁴ "Statement of Administrative Action," *Uruguay Round Trade Agreements, Texts of Agreements, Implementing Bill, Statement of Administrative Action and Regional Supporting Statements, Message from the President of the United States*, Sept. 27, 1994, House Document 103-316, pp. 73-74.

⁵ See appendix A for the letter from the U.S. Trade Representative asking the USITC to provide the report series.

Approach

This report updates the Commission's previous two reports on U.S.-Africa trade flows. The quantitative data provided generally cover either calendar year or fiscal year 1996, depending upon which data are available. In cases where it is useful to show a trend, data for 1992 through 1996 are provided. Developments in economic, trade, and commercial policies cover the period from January 1996 through August 1997, when possible.

A number of data sources were used to compile the information in this report. Annual data on the value of U.S. exports to and imports from Sub-Saharan Africa were obtained from the U.S. Department of Commerce (USDOC). Data on U.S. investment flows to Sub-Saharan Africa were obtained from USDOC as well as the U.S. Department of the Treasury (Treasury). Information on major developments in the WTO that likely affected U.S.-Sub-Saharan Africa trade flows was collected from the WTO and other public data sources. Information on U.S. trade and economic activities potentially affecting U.S.-Sub-Saharan trade and investment flows was collected from USDOC, the U.S. Department of State (State), Treasury, the Export-Import Bank of the United States (Eximbank), the Overseas Private Insurance Corporation (OPIC), the U.S. Department of Agriculture (USDA), the U.S. Trade and Development Agency (TDA), and other relevant U.S. agencies. In addition, Commission staff traveled to Abidjan, Côte d'Ivoire and Accra, Ghana for the purpose of meeting with private and public sector officials to obtain their views on factors influencing U.S.-Sub-Saharan trade. Additional information on trade and economic reforms in these two countries can be found in appendix C. Commission staff traveling to Kenya, Mauritius, South Africa, and Zimbabwe in connection with another USITC investigation also gathered information for the current study. Other data on trade and economic policy changes in countries in Sub-Saharan Africa, as well as information on multilateral project lending, were obtained from USDOC, State, the World Bank, the African Development Bank (AfDB), and the IMF. Additionally, in response to a request for assistance, U.S. embassies in the region provided trade and investment data and other information.

Scope of the Report

The following 48 Sub-Saharan countries (see map, figure 1-1) are covered in this investigation:

Angola	Madagascar
Benin	Malawi
Botswana	Mali
Burkina Faso	Mauritania
Burundi	Mauritius
Cameroon	Mozambique
Cape Verde	Namibia
Central African Republic	Niger
Chad	Nigeria
Comoros	Rwanda
Congo	São Tomè and Príncipe
Côte d'Ivoire	Senegal
Djibouti	Seychelles
Equatorial Guinea	Sierra Leone
Eritrea	Somalia
Ethiopia	South Africa
Gabon	Sudan
The Gambia	Swaziland
Ghana	Tanzania
Guinea	Togo
Guinea-Bissau	Uganda
Kenya	Zaire ⁶
Lesotho	Zambia
Liberia	Zimbabwe

As noted previously in this report series, although the countries of Sub-Saharan Africa share many common characteristics, they vary widely in terms of population, size, geography, natural resources, stage of development, and political stability.⁷ All of these countries are classified by the World Bank as developing countries; 10 countries are classified by the World Bank as middle-income developing countries and 38 are classified as low-income developing countries (see table 1-1).⁸

⁶ In 1997, the official name of the Republic of Zaire was changed to the Democratic Republic of the Congo. That change will be reflected next year in the Commission's report on 1997 U.S.-Africa trade.

⁷ USITC, *U.S.-Africa Trade Flows and Effects of the Uruguay Round*, USITC publication 3000, pp. 1-4.

⁸ The main criterion used by the World Bank to classify economies and broadly distinguish stages of development is GNP per capita. Countries are classified into the following categories according to income: low-income, \$765 or less in 1995; lower-middle-income, \$766 to \$3,035; upper-middle-income, \$3,036 to \$9,385; and high-income, \$9,386 or more. The World Bank, *World Development Report 1997: The State in a Changing World* (Washington, DC: World Bank, 1997), pp. 206-7. Other multilateral institutions may use definitions that differ. In the WTO, for example, the economic development status of each member is described as either developed, developing, or least-developed. The WTO does not have a rigid definition of these categories with the exception of 'least developed' which is drawn from the list of least-developed countries officially designated as such by the United Nations. The term "less-developed country" has been supplanted over the years by "developing country." The acronym LDC, however, is

Table 1-1
Sub-Saharan Africa: Classification of economies, by income, major export category, and indebtedness

Low-income ¹	Lower-middle-income	Upper-middle-income
Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Zaire, Zambia, Zimbabwe.	Botswana, Cape Verde, Djibouti, Lesotho, Namibia, Swaziland.	Gabon, Mauritius, Seychelles, South Africa.
Exporters of nonfuel primary products ²	Diversified/oil exports	Exporters of services
Botswana, Burundi, Chad, Côte d'Ivoire, Equatorial Guinea, Ghana, Guinea, Guinea-Bissau, Liberia, Madagascar, Malawi, Mali, Mauritania, Namibia, Niger, Rwanda, São Tomé and Príncipe, Somalia, Sudan, Swaziland, Tanzania, Togo, Uganda, Zaire, Zambia, Zimbabwe.	Angola, ³ Cameroon, Central African Republic, Congo, Gabon, Kenya, Mauritius, Nigeria, Senegal, Sierra Leone, South Africa.	Benin, Burkina Faso, Cape Verde, Comoros, Djibouti, Ethiopia, Gambia, Lesotho, Mauritius, Mozambique, Seychelles.
Severely indebted ⁴	Moderately indebted	Less-indebted
Angola, Burundi, Cameroon, Central African Republic, Congo, Côte d'Ivoire, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Zaire, Zambia.	Benin, Burkina Faso, Chad, Comoros, The Gambia, Senegal, Zimbabwe.	Botswana, Cape Verde, Djibouti, Lesotho, Mauritius, Namibia, Seychelles, South Africa, Swaziland.

¹ Low-income refers to 1995 GNP per capita of \$765 or less; lower-middle-income to 1995 GNP per capita of \$766- \$3,035; and upper-middle-income to 1995 GNP per capita of \$3,036 to \$9,385.

² Major exports are those that account for 50 percent or more of total exports of goods and services. Eritrea is not classified by export category.

³ Indicates oil exporter.

⁴ The terms "severely," "moderately," and "less-indebted" refer to World Bank classifications of indebtedness that are based on the present value of debt service to exports. Eritrea is not classified by debt category.

Source: The World Bank, World Development Indicators, 1997 (CDROM).

The merchandise sectors covered in this report include: agricultural products; forest products; chemicals and related products; energy-related products; textiles, apparel and footwear; minerals and metals; machinery; transportation equipment; electronic products, medical equipment, and precision manufactures; and miscellaneous manufactures. The trade data for these sectors have been aggregated from

⁸—Continued

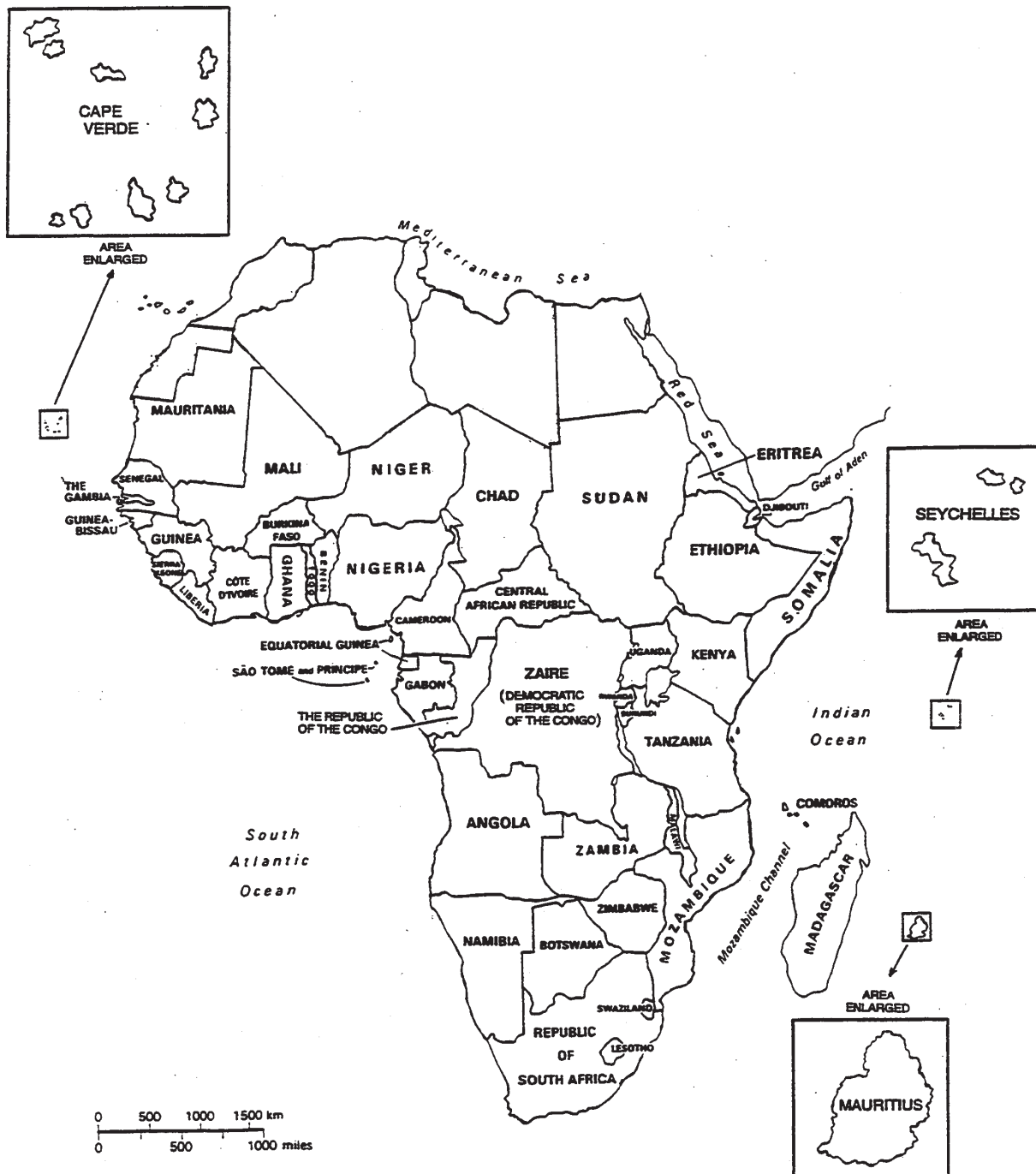
still widely used to abbreviate "developing country." As some LDCs advanced economically and others did not, those that lagged furthest behind came to be known as "least less-developed countries" (LLDCs).

the Commission's trade-monitoring commodity groups and are provided for the 1992-96 period. Service sectors covered in the report include telecommunications, education services, professional services, insurance, and royalties and license fees. The service sector trade data are limited, and there is a time lag in terms of availability.

Organization of the Report

The remainder of chapter 1 provides an overview of conditions that influence U.S. investment in the region and bilateral trade flows, and shows Sub-Saharan membership in various multilateral

Figure 1-1
Map of Sub-Saharan Africa



organizations and participation in U.S. programs. It also provides a summary of trade policy changes and of the foreign investment climate for each country. Chapter 2 provides U.S.-Sub-Saharan Africa trade flow data for major commodity and service sectors and U.S. investment data for 1992-1996, as well as information on progress in regional integration. Chapter 3 provides an update of WTO and other multilateral organizations' activities affecting countries in the region. Chapter 4 provides information and analysis by major sectors on U.S. trade with, and investment in, Sub-Saharan countries.

Overview

U.S. merchandise exports to all African countries⁹ were valued at \$14.5 billion in 1996, or 16.7 percent of worldwide exports to the continent—making the United States the second-largest, single supplier of exports to Africa after the European Union (EU), although the value of U.S. exports was less than one-half that of the EU (figure 1-2). The United States supplied 7.8 percent of African merchandise imports during 1996, valued at \$6.4 billion; as a supplier of imports to Africa, the United States ranked behind the EU, other African countries combined, and Asia (figure 1-2). The United States recorded a merchandise trade surplus of \$8.2 billion with all African countries in 1996—the only single major African trading partner to record a trade surplus (figure 1-3). In services trade, the United States recorded a cross-border services trade surplus of \$932 million with Africa in 1995.

In 1996, the 48 countries of Sub-Saharan Africa combined ranked as the 21st largest market for U.S. merchandise exports, ahead of such countries as the Philippines, Spain, and Israel (South Africa ranks 36th), but behind Thailand, Saudi Arabia and Switzerland; the Sub-Saharan African region ranked as the 13th largest supplier of U.S. merchandise imports, ahead of Venezuela, Thailand, and Saudi Arabia but behind Malaysia, France, and Italy.

Based on Commission staff interviews with public and private sector officials in Sub-Saharan Africa and information reported by U.S. embassies in the

⁹ For the purpose of providing comparable trade data for major trading partners, data in this paragraph and referenced figures are for all African countries—the 48 countries of Sub-Saharan Africa in this report and Algeria, Egypt, Libya, Morocco, Réunion, St. Helena, and Tunisia.

region,¹⁰ the following factors are considered to significantly influence U.S. investment and U.S.-Sub-Saharan African bilateral trade flows.

Factors Affecting U.S. Trade with Sub-Saharan Africa

Historical Ties with Europe

Many Sub-Saharan African countries maintain strong economic, trade, and cultural ties with former European colonial powers. In francophone countries of Sub-Saharan Africa, French businesses enjoy advantages over those of the United States as a result of a common business language,¹¹ longstanding commercial ties, tied-aid programs, and generous French trade financing and export subsidies.¹² Belgian and Swiss firms also have the advantage over U.S. companies of sharing a common business language with firms in Sub-Saharan francophone countries. German firms reportedly maintain a dominant presence in Namibia.¹³ British firms benefit from longstanding cultural and historical ties in Kenya, Zimbabwe, and other former British colonies.¹⁴ In southern Africa, a different dominant power relationship was reported—Botswana, Malawi, and Swaziland trade primarily with large, neighboring South Africa.¹⁵

Preferential Trade Programs

Both the United States and the EU provide nonreciprocal duty-free treatment for eligible products of Sub-Saharan Africa. However, the U.S. Generalized System of Preferences (GSP) program excludes

¹⁰ Each year, U.S. embassies, through the combined efforts of several U.S. Government agencies, prepare *Country Commercial Guides*. These reports provide a comprehensive look at the host country commercial environment using economic, political, and market analysis. *Country Commercial Guides* for 1996 are available on the U.S. Department of Commerce's National Trade Databank CD-ROM and through the Internet websites of the U.S. Department of Commerce (<http://www.ita.doc.gov/uscs>) and the U.S. Department of State (http://www.state.gov/www/regions/Africa/com_guides), and are hereafter cited as *Country Commercial Guide for (country)*.

¹¹ English is not widely understood in a number of Sub-Saharan countries. See, for example, *Country Commercial Guide for Mali*.

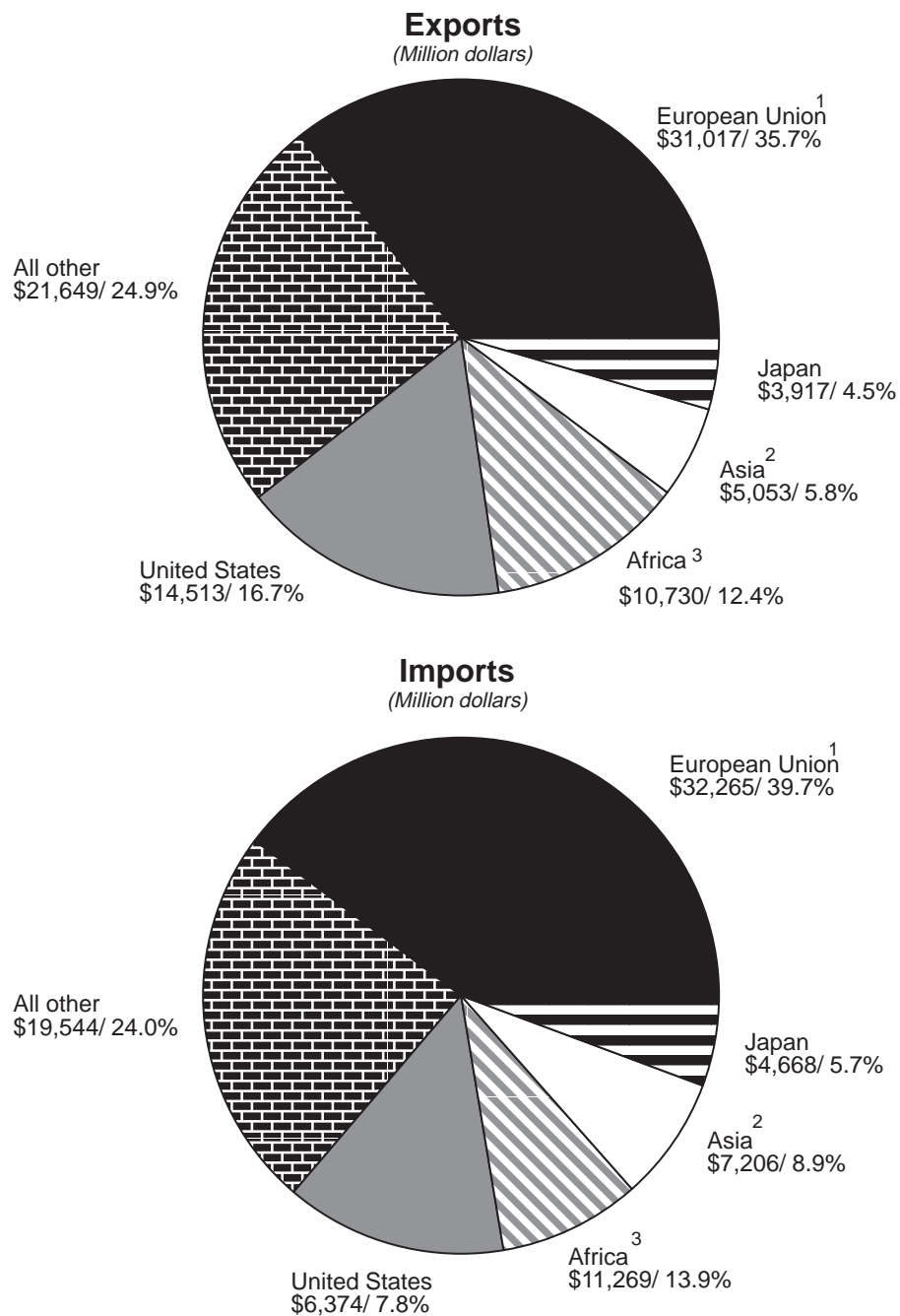
¹² USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997, and *Country Commercial Guides for Burkina Faso, Guinea, and Mali*.

¹³ *Country Commercial Guide for Namibia*.

¹⁴ USITC staff interviews with public and private sector officials in Kenya and Zimbabwe, April 1997.

¹⁵ *Country Commercial Guides for Botswana, Malawi, and Swaziland*.

Figure 1-2
Africa: Exports and imports by selected trading partners and regions, value of shares, 1996



¹ Consists of the following countries: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and United Kingdom.

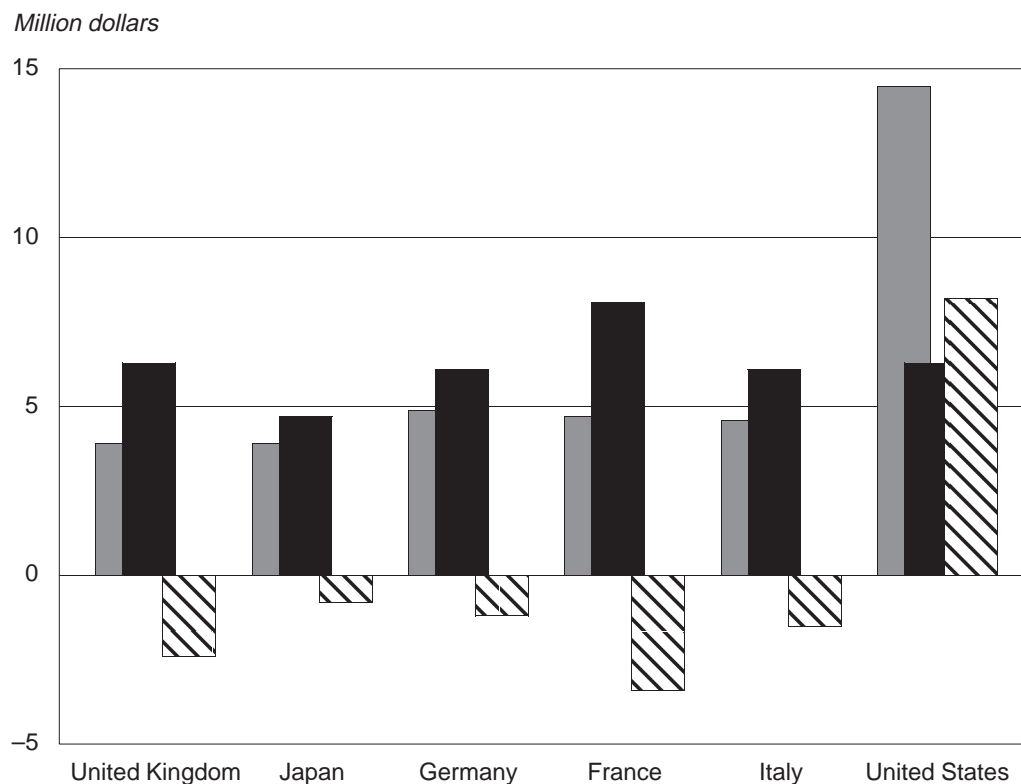
² Consists of the following countries: China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Thailand.

³ Consists of the 48 countries in this report and Algeria, Egypt, Libya, Morocco, Réunion, St. Helena, and Tunisia.

Note.—Exports are f.o.b.; imports are c.i.f.

Source: International Monetary Fund, Direction of Trade Statistics, August 1997.

Figure 1-3
Sub-Saharan Africa: Exports and imports of major trading partners, 1996



Exports	\$3.9	\$3.9	\$4.9	\$4.7	\$4.6	\$14.5
Imports	\$6.3	\$4.7	\$6.1	\$8.1	\$6.1	\$6.3
Trade Balance	-\$2.4	-\$0.8	-\$1.2	-\$3.4	-\$1.5	\$8.2

Note.—Exports are f.o.b.; imports are c.i.f. Data for this table is provided by the IMF which records exports on a f.o.b. basis and imports on a c.i.f. basis. Data elsewhere in the report (for example, table 2-1) based on official U.S. trade data records exports on a f.a.s. basis and imports on a customs value basis. Therefore, trade balances derived from these different sources may differ.

Source: International Monetary Fund, Direction of Trade Statistics, August 1997.

most textiles and apparel, while the EU Lomé Convention¹⁶ permits duty- and quota-free entry of these articles. Furthermore, one source reports that Sub-Saharan African products face generally higher prevailing post- Uruguay Round tariffs in the United States than in Europe.¹⁷ In addition, Uruguay Round tariff reductions are reducing the margin of preference offered to Sub-Saharan Africa under both the U.S. GSP program and the Lomé Convention and there is some concern that Sub-Saharan African products face increased competition in developed-country markets because of this diminishing margin of preference.¹⁸

Macroeconomic Conditions

Some Sub-Saharan countries have achieved strong economic growth in recent years; 11 countries in the region achieved real GDP growth of 5 percent or more in 1996.¹⁹ However, faster growth has not always produced a more intense bilateral trade relationship as measured by two-way (exports plus imports) trade. In 1995-96, U.S. two-way trade increased only with 5 of the 11 high-growth economies—Cameroon, Côte d'Ivoire, Ghana, Malawi, and Zambia; U.S. two-way trade decreased with the other high-growth economies of Botswana, Chad, Mauritius, Senegal, Uganda, and Zimbabwe. Moreover, generally low trade with Sub-Saharan Africa reflects the relatively low-income characteristic of much of the region. A recent World Bank study classified 30 Sub-Saharan African countries as low-income economies with per capita gross national product (GNP) of less than \$700 in 1995.²⁰

¹⁶ The EU also has its own GSP program for developing countries; however, preferential access is greater under the Lomé Convention. The Lomé Convention is discussed in more detail in the section on "Duty-free imports" in chapter 2. See also, USITC, *Likely Impact of Providing Quota-Free and Duty-Free Entry to Textiles and Apparel From Sub-Saharan Africa*, USITC publication 3056, September 1997.

¹⁷ Azita Amjadi, Ulrich Reincke, and Alexander J. Yeats, "Did External Barriers Cause the Marginalization of Sub-Saharan Africa in World Trade?" World Bank discussion paper No. 348, 1996, p. 16.

¹⁸ For a discussion of these concerns in the context of the Uruguay Round, see GATT Secretariat, "Developing Countries and the Uruguay Round: An Overview," Nov. 1994, found at WTO website http://www.wto.org/legal/ldc_wpf.htm.

¹⁹ Compiled by USITC staff based on *Country Commercial Guides* and IMF, *World Economic Outlook* (Washington, DC, 1997), table 6, p. 30.

²⁰ Those countries are—Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Zambia,

Transportation Costs

Transportation costs between Sub-Saharan Africa and the United States are relatively high. High ocean freight costs result from limited competition among shipping companies operating in the region; moreover, the low production capacity characteristic of many Sub-Saharan African countries means that exporters do not reap the gains (i.e., lower costs) from large-volume containerized cargo shipments. Air freight costs are high because of limited competition among air carriers and the small number of direct flights to the United States.²¹

Transportation bottlenecks within Sub-Saharan Africa, due to limited road and rail networks²² and numerous police and border controls,²³ impede intraregional trade and add to intraregional transportation costs.²⁴ Such bottlenecks are particularly burdensome in the region because 15 Sub-Saharan African countries are landlocked.²⁵ For example, in Botswana it was reported that all imports must pass through South Africa, where additional fees are added to import prices; as a result, standard U.S. consumer goods are priced as prohibitively expensive luxury items by the time they reach Botswana.²⁶ Mali and Zambia reported similar transportation-linked difficulties.²⁷

The small local market size of most Sub-Saharan African countries and low per capita income levels often mean weak demand for consumer goods and make it difficult for local industries to achieve the efficiency gains of large-scale production.²⁸ Outdated capital equipment used by many Sub-Saharan African industries stifles production,²⁹ volumes and delivery

²⁰—Continued

Zimbabwe. World Bank, *World Development Report 1997: The State in a Changing World* (Washington, DC: World Bank, 1997), table 1, p. 214.

²¹ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997, and *Country Commercial Guide for Zambia*.

²² *Country Commercial Guides for Chad, Madagascar, Malawi, Mali, Nigeria*.

²³ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997 and in Accra, Ghana, June 9-12, 1997.

²⁴ For a recent analysis of this problem with respect to southern Africa, see "African Success Story," *The Economist*, June 14, 1997, p. 47.

²⁵ The landlocked countries are—Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Mali, Malawi, Niger, Rwanda, Swaziland, Uganda, Zambia, and Zimbabwe.

²⁶ *Country Commercial Guide for Botswana*.

²⁷ *Country Commercial Guides for Botswana, Mali, and Zambia*.

²⁸ "An African Success Story," *The Economist*, June 14, 1997, p. 47.

²⁹ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997 and in Accra, Ghana, June 9-12, 1997, and *Country Commercial Guide for Eritrea*.

and their small size and low production capacity mean that Sub-Saharan African suppliers often are unable to meet U.S. requirements for shipment schedules. There were numerous reports that Sub-Saharan African industries encountered problems in meeting U.S. quality standards.³⁰ Sales to the United States also were reported to be limited by poor knowledge of the U.S. market and consumer preferences.³¹ Subregional economic integration (discussed in more detail below) may address these problems by creating larger regional markets within Sub-Saharan Africa.

Local Market Conditions and Productivity

Drought periodically plagues parts of Sub-Saharan Africa and curbs agricultural production; this was reported to be particularly problematic for Burkina Faso, Chad, Eritrea, Somalia, and Zimbabwe.³² Weather and crop-growing conditions in Sub-Saharan Africa and globally also are significantly affected by the recurring El Niño pattern of disruption of the ocean-atmosphere system in the tropical Pacific; agricultural production in Zimbabwe has been the subject of several studies on such weather-related problems.³³

A shortage of skilled labor was reported in Mauritius³⁴ and Botswana³⁵ and exists in many

³⁰ USITC staff interviews with public and private sector officials in Kenya, Mauritius, South Africa, and Zimbabwe, April 1997, and World Bank, "Africa Can Compete," *Findings: Africa Region*, August 1994, found at World Bank website, <http://www.worldbank.org/aftdr/findings/english/find22.htm>.

³¹ USITC staff interviews with public and private sector officials in Mauritius, April 1997, and in Côte d'Ivoire and Ghana, June, 1997.

³² *Country Commercial Guides for Chad, Eritrea, and Zimbabwe*, and Bureau of African Affairs, U.S. Department of State, "Investment Climate Reports: Sub-Saharan Africa," April 1997, found at U.S. Department of State website http://www.state.gov/regions/Africa/af_invest_cli_report.html.

³³ For information on the El Niño phenomenon and its impact on Sub-Saharan Africa, see "Impacts of El Niño: Africa Page," at the U.S. Department of Commerce, National Oceanic and Atmospheric Administration's website, <http://www.ogp.noaa.gov/enso/africa.html>, and "Seasonal Rainfall Patterns and Zimbabwe Maize Yield," at the NASA Goddard Institute for Space Studies website, <http://www.giss.nasa.gov/Research/Intro/philips.01>.

³⁴ Written response of the Government of Mauritius to questions by USITC staff. For further information, see USITC, *Likely Impact of Providing Quota-Free and Duty-Free Entry to Textiles and Apparel from Sub-Saharan Africa*, USITC publication 3056, Sept. 1997.

³⁵ *Country Commercial Guide for Botswana*.

countries. Concerns about the impact on the labor force of the poor delivery of health care services are widespread in most of Sub-Saharan Africa.³⁶ Other countries that report an adequate and productive labor force³⁷ nevertheless are plagued by a shortage of skilled managers.³⁸

Physical Infrastructure

Throughout Sub-Saharan Africa the physical infrastructure is generally in poor condition, especially roads and railroads, airports, telecommunications, electricity supply, and water supply.³⁹ In a few countries (Côte d'Ivoire, Ghana, Mauritius, Senegal, and South Africa), commercial facilities necessary for business operations were reported to be in good to excellent condition;⁴⁰ for example, Ghana's port of Tema was reported to be one of the most modern in Africa.⁴¹

Political Stability

Civil unrest and political instability in some Sub-Saharan African countries may deter foreign investors, or may prevent governments from fully focusing on issues that would improve the business climate. The U.S. Department of State recently cited political instability as a factor affecting investment during 1996 in the following countries: Burundi, Liberia, Nigeria, Somalia, Sudan (the United States suspended diplomatic presence in Sudan during 1996 because of concerns about that country's involvement in sponsoring international terrorism), and Zaire.⁴²

³⁶ USITC staff interview with public and private sector officials in Accra, Ghana, June 9-12, 1997, and *Country Commercial Guide for Botswana*.

³⁷ *Country Commercial Guides for Eritrea, Madagascar, and Namibia*.

³⁸ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997 and in Accra, Ghana, June 9-12, 1997, and *Country Commercial Guides for Botswana, Eritrea, Ghana, Guinea, Madagascar, Mauritius, Nigeria, Tanzania, and Zaire*.

³⁹ A number of countries are embarking upon programs to upgrade these areas, which stands to create market opportunities for U.S. businesses. USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997 and in Accra, Ghana, June 9-12, 1997, and *Country Commercial Guides for Botswana, Eritrea, Ghana, Guinea, Madagascar, Mauritius, Nigeria, Tanzania, and Zaire*.

⁴⁰ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997, *Country Commercial Guide for Côte d'Ivoire, Mauritius, Senegal, South Africa, and Togo*.

⁴¹ USITC staff interview with public and private sector officials in Accra, Ghana, June 9-12, 1997.

⁴² U.S. Department of State, Bureau of African Affairs, "Investment Climate Reports: Sub-Saharan Africa," April 1997, op. cit.

Legal System

Corruption, weak judicial systems and the lack of an independent judiciary, frivolous law suits, arcane legal codes and institutions, outdated or inadequate protection of intellectual property, and limited legal provisions for settling business disputes and enforcing business laws may discourage business dealings with some Sub-Saharan African countries.⁴³

Land ownership rights can also discourage business dealings with some Sub-Saharan African countries. A number of countries in the region restrict foreign ownership of land,⁴⁴ while in some other countries investors find it difficult to obtain clear land title because local governments are unable to reconcile the requirements of modern land ownership with traditional (tribal and village) land claims.⁴⁵

Business Climate

Entrepreneurial activities are stifled in many Sub-Saharan African countries because of high real

⁴³ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997 and in Accra, Ghana, June 9-12, 1997, and *Country Commercial Guide for Cameroon, Ethiopia, Guinea-Bissau, Madagascar, Malawi, and Zaire*.

⁴⁴ Restrictions on foreign land ownership in Ethiopia are discussed in more detail in U.S. Department of State, "Investment Climate Statement for Ethiopia," prepared by U.S. Embassy Addis Ababa, message reference No. 04743, June 17, 1997.

⁴⁵ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 2-6, 1997 and in Accra, Ghana, June 9-12, 1997, and U.S. Department of State telegram, "Kenya: 1997 Investment Climate Statement," prepared by U.S. Embassy Nairobi, message reference No. 11311, July 18, 1997.

interest rates and a lack of access to credit.⁴⁶ Foreign exchange restrictions applied in Communauté Financière Africaine (CFA) franc zone countries⁴⁷ also may be problematic for U.S. businesses by restricting dollar-denominated holdings, investments, and remittances.⁴⁸

Tables 1-2 through 1-5 provide, for summary purposes, an overview, by country, of additional factors and conditions affecting U.S. trade with Sub-Saharan Africa. These factors include recent changes in each country's trade and investment regime, membership in multilateral organizations, participation in U.S. programs that help advance trade, participation in an IMF structural adjustment program, privatization by sector, and other relevant indicators. (See chapter 3 for details on the multilateral institutions and their programs that affect Sub-Saharan Africa.)

⁴⁶ High interest rates sometimes are used to suppress domestic demand as part of anti-inflationary measures. USITC staff interview with public and private sector officials in Zimbabwe, April 1997, and in Côte d'Ivoire and Ghana, June 1997, and *Country Commercial Guides for Botswana, Cape Verde, Gabon, Mozambique, and Senegal*.

⁴⁷ The CFA franc zone is discussed in more detail in the section on "Trade and Economic Integration" below. CFA franc zone members are—Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Congo, Equatorial Guinea, Gabon, Mali, Niger, Senegal, and Togo.

⁴⁸ U.S. Department of State telegram, "Investment Climate Statement: Côte d'Ivoire," prepared by U.S. Embassy Abidjan, message reference No. 06870, June 13, 1997 and IMF, *Exchange Arrangements and Exchange Restrictions, Annual Report 1996* (Washington, DC, 1996), pp. 130-132.

Table 1-2
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
Angola	NA	Highly protected market; quotas; import licenses required for all imports.	Effectively closed to most FDI. Decades of war have destroyed most infrastructure, and ongoing economic and political crisis deter most investment. Some easing of restrictions, but FDI is limited or restricted in defense, public utilities, banking, energy, media, and air and maritime transport.	\$410
Benin	20.2 (1996)	Trade liberalization is ongoing. Tariff structure simplified in 1994 from 12 rates to four rates and system of reference values was eliminated. Import licensing controls eliminated in 1993.	Climate improving considerably. Investment incentives established; one-stop investment center planned. Mining, energy, water, forestry, transport and communications are under state control.	\$370
Botswana	30.0 (1995)	High tariffs but relatively few NTBs.	Sectors closed to FDI include most utilities, small retail shops, and some food establishments. Cumbersome licensing requirements. 100-percent foreign equity permitted. Profits easily repatriated. Excellent business climate.	\$3,020
Burkina Faso	NA	Some import bans and quotas. Inadequate and fragmented economic infrastructure is a deterrent to trade.	Few restrictions on FDI. New investment code adopted in 1992 that gives equal treatment to foreign and domestic investors. Some tax incentives.	\$230
Burundi	7.4 (1993)	Has made significant progress in trade liberalization. The unsafe border with Rwanda is the biggest detriment to trade. Sporadic violence is a problem and borders are periodically closed without notice.	Equal treatment for foreign and domestic firms. Biggest barriers to FDI are underdeveloped financial institutions, small domestic market, high transport costs, unsafe conditions and insecure borders.	\$160
Cameroon	30.0 (1995)	Almost 40 percent of government revenue raised through tariffs. However, ineffective controls deprive the government of significant customs and tax revenues. Inefficient domestic industries are protected. About 100 items subject to quotas.	Most industries open to FDI, but French investors often receive favored treatment. FDI approved on case-by-case basis. On paper, regime appears open, but it is not transparent in practice.	\$650
Cape Verde	20.0	Trade liberalization began in late 1991. Strict import licensing and documentation requirements. Export and customs procedures were streamlined.	Nearly all sectors are open to FDI, but some restrictions remain. Some delays with profit repatriation.	\$960
Central African Republic	NA	NA	Suffers from inadequate transportation and market infrastructure and political instability. U.S. goods are at a disadvantage because of traditional commercial ties to France and because transport to Americas is costly and infrequent. Foreign investors receive national treatment and are protected from expatriation and nationalization.	\$340

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
Chad	15.8	A large deterrent to trade is an un-navigable and, due to crime, un-safe road system. Travel after dark very dangerous.	Equal treatment for foreign and domestic firms. Effects of war with Libya still impedes FDI. Restrictions include strict FDI review process but 100% foreign-ownership is permitted, except in national security or strategic industries. Cumbersome bureaucracy and institutional and political impediments delay investment and discourage large-scale commitments by foreign or domestic investors.	\$180
Comoros	NA	In 1994, external trade was liberalized by abolishing import monopolies on several products including cement, tobacco, high grade rice and meat and by reducing barriers to vanilla exports. Tariff structure was simplified. Price controls reduced on a dozen essential commodities.	Inadequate infrastructure and almost no industry. Economic prospects are very limited.	\$470
Congo	NA	Biggest NTBs are bureaucratic red tape, inefficient customs services and alleged frequent theft of imported goods.	Investors face cumbersome bureaucracy and troublesome labor conditions. French influence is pervasive and can inhibit other investors. One-stop investment shop recently established.	\$680
Côte d'Ivoire	25.5 (1995)	Reducing tariffs but they remain high. Quota system for some goods. Government monopoly on rice imports and some products are banned.	New, liberal investment code. Foreign investors receive equal treatment, but proposals for total foreign ownership not always approved. Some sectors closed to foreign investors. Uncertain legal procedures cause frequent contract, tax, and customs problems for foreign firms.	\$660
Djibouti	NA	Major barriers include a cumbersome customs service and inadequate infrastructure to bring goods into the country. Has a relatively liberal economic regime with almost unrestricted banking and commerce services. However, provision of banking and financial services is poor due to lack of capital to expand adequately.	Investment projects subject to review. Sectors deemed by government as vital to national security are closed to investment. No foreign exchange restrictions.	NA
Equatorial Guinea	NA	Liberalizing trade regulations since 1994.	Has adopted a public investment program endorsed by the World Bank. 1992 foreign investment code contains numerous long-term incentives and guarantees freedom to expatriate profits and other benefits. Inadequate infrastructure and a large, unskilled workforce are impediments.	\$380

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
Eritrea	NA	Introduced sectoral policy reforms. Trade policies are being revised and a new and simplified licensing procedure introduced. Export taxes have been abolished.	New investment laws have been introduced that will open all sectors to private investment; it allows 100 percent foreign ownership (previously 51 percent local ownership required) and guarantees investments against nationalization, confiscation or other risks. Centralized marketing and planning systems have been eliminated so most enterprises do not face price and marketing restrictions. Land tenure is complex.	NA
Ethiopia	13.5 (1995)	Trade liberalization is ongoing. The negative list of imports was eliminated. Customs regime is cumbersome, and goods entering are frequently delayed.	Liberalizing investment regime. Sectors closed to private investment include defense, large-scale electric power generation, and postal telecommunications, financial, some export/import and major transport services. Domestic investors have priority in investment opportunities. Bureaucratic decision-making is slow.	\$100
Gabon	30.7 (1994)	Tariffs are high, particularly on electronics and vehicles. Quantitative import restrictions on sugar, vegetable oil, soap, mineral water and cement. Rice and wheat subject to licensing. Customs process is slow and cumbersome. Import bans recently lifted on a number of products.	The 1989 investment code liberalized conditions for foreign businesses. Government participation in investment no longer required. Requirement that all private companies contribute 10 percent of their shares to the government was repealed in 1994. Minimal restrictions on foreign investment in most areas. Only a few areas are closed to foreign investment, but government dominates the most lucrative sectors in the marketplace. Foreign investors encounter long delays in the approval process. No free-trade zones, but tax holidays for certain investors are available.	\$3,490
The Gambia	13.5	Import bans apply mainly to over-the-counter medicines.	Government provides equal treatment for domestic and foreign firms and actively seeks foreign investment. Investments must be approved by government on a case-by-case basis. Investments in priority sectors (e.g., manufacturing, agriculture, fisheries, mining, and support services) qualify for exemption from customs duty and sales tax on imported capital items and construction materials. Such investments also receive preferential treatment in land allocation and leases.	\$320

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
Ghana	12.5	Most goods do not require licenses, but handling and customs delays are frequent.	In 1992, adopted new investment code that eased restrictions on private sector investment. Some investment incentives including exemptions from import duties on specific products. Twenty economic activities are either closed to foreign investors or subject to a high minimum investment, and wholly-owned foreign firms must meet a \$200,000 investment minimum. Government bureaucracy can create considerable barriers to potential investment.	\$390
Guinea	33.0 (1996)	Flat tariff rate of 33 percent for almost all imports. Licenses required for restricted goods which include cement, rice, wheat flour and other agricultural products. Some imports require special authorization from central bank.	Government has been opening economy to foreign investment since 1990. Investments allowed in many industrial sectors. In 1992, government allowed 100-percent private participation in the mining sector and telecom sector was opened partially to private participation. There is one wholly foreign-owned mining venture. New investment is screened carefully.	\$550
Guinea-Bissau	NA	NA	State marketing boards have been abolished, price controls ended (except in petroleum) and some parastatals privatized. However, the privatization council was recently dissolved and it was announced that all privatization done thus far will be reexamined.	\$250
Kenya	13.5	In 1993, import licenses were abolished for most goods. Allegedly, corruption is a problem in the customs system and frequent delays are a problem. Some imports (e.g., sugar, maize, wheat, milk) are banned.	100-percent foreign ownership allowed for some enterprises. Most sectors open to foreign participation. Enterprises on the Kenyan Stock Exchange are limited to 40 percent foreign participation (up from 20 percent). Export Promotion Zones offering tax breaks have been established. Investment proposals approved on a case-by-case basis. Presidential approval required for foreign acquisitions of agricultural land. Government forbids foreign investment in insurance or government-sanctioned monopolies.	\$280
Lesotho	17.4 (1995)	In 1990, government initiated an economic reform program that remains in place.	Some informal restrictions on investments in areas competing with domestic local investment. An investment code is in place but offers few incentives. Member of the International Center for the Settlement of Investment Disputes.	\$770
Liberia	NA	Almost a decade of civil war has left the economy devastated and the infrastructure decimated. Permits are needed to import or export goods.	War has disrupted most government functions, but there is a general recognition that foreign investment will be needed to rebuild the country. Land ownership and several areas of business are reserved for citizens.	NA

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
Madagascar	13.5 (1995)	NTBs include consumption taxes and other import taxes which significantly increase the price of imports.	Outside the free trade zone, foreign investors are not treated as well as domestic investors. Restrictions on foreign investment in banking and insurance, energy, water, hydrocarbon production mining, and petroleum. Foreigners not permitted to own land, and the process for establishing a new enterprise is time-consuming and not transparent. Foreign investors must demonstrate sound value of their investments. Deteriorating conditions in communications and transportation infrastructure are chief impediment to doing business.	\$230
Malawi	17.6 (1995)	Strict import licensing on imports of fresh meat, gold, sugar and military and hunting items.	Government encourages investment in sectors that produce for export. Investment is not restricted in coffee, sugar, or tea industries. Non-citizens must obtain a labor license to work in Malawi, but these licenses are not granted if the government determines that Malawi citizens can do the work.	\$170
Mali	10.0	Average tariff is relatively low, but government has a complex system of fiscal duties ranging from 5 to 30 percent. Most import barriers have been lifted, although import licenses are required. Import taxes on many goods were lowered or eliminated in 1994.	Investment code permits investment in almost all areas. Foreign investors are offered some incentives and face few restrictions.	\$250
Mauritania	20.3 (1995)	Has been trying to adopt a series of economic reforms since early 1990s. Government spending was reduced, but trade barriers increased. Trade restrictions include strict labeling and inspection requirements as well as a cumbersome customs agency.	Has passed new laws to open up and to attract foreign investment. Foreign investors enjoy equal treatment and there are a few legal barriers. Lack of infrastructure and low per capita income deter investment.	\$460
Mauritius	NA	Import quotas and controls have been relaxed. Proposals have been announced to introduce a harmonized system of customs tariffs and to develop re-export and transshipment activities by establishing a duty-free processing zone for bulk imports. Controls on the movement of foreign exchange were removed in 1992. A 3-year program was introduced in 1993 that included increasing the pace of privatization of public enterprises and provided for the creation of new incentives to assist the private sector.	The Export Processing Zone (EPZ) sector has led the country's industrial expansion in recent years. The government has put forth proposals to diversify the EPZ industrial base away from textiles and clothing and to improve training for the industrial sector. Roads, telecommunications, and public utilities need heavy investments. Mauritius plans to invest \$1.5 billion in infrastructure development over the next decade. Mauritius has begun to develop offshore banking and regional trade as new sources of growth.	\$3,380

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
Mozambique	5.7	Recently lowered personal income tax and eliminated some price controls. Reduced trade barriers but also increased taxes and level of government regulation. Moderate lowering of tariffs and simplification of licensing procedures. Allegedly, corruption is a problem in customs and the Government is considering privatization. A few imports such as used autos are prohibited.	Changes to investment law have improved the climate for foreign investment. Feasibility study requirements and cumbersome bureaucracy frustrate foreign investment, especially by small-scale investors. Infrastructure and some other areas are closed to foreign investment. Free-trade zones were established in 1993.	\$80
Namibia	24.4	Since independence in 1990, government has focused on creating a stable free-market system. Has achieved substantial fiscal discipline and is opening markets to trade and investment. Requires letters of credit for all imports and strict labeling standards.	Has modern investment code which provides significant protection and incentives for investment.	\$2,000
Niger	18.3	The nominal tariff rate is 5 percent, but additional tariffs on luxury and other items are as high as 60 percent. Maintains some NTBs, mainly import bans and import substitution measures.	Provides equal treatment for domestic and foreign firms. 100% foreign ownership is permitted. There is a strict review process and a cumbersome bureaucracy often delays investment.	\$220
Nigeria	18.3	Tariffs were reduced on many goods in 1995, but they remain high. All goods are subject to additional surcharges totaling 6 percent. The list of banned imports (includes maize, eggs, processed wood, textiles) is long although the ban on wheat was recently lifted. The customs process is burdensome. Some activists have suggested international sanctions because of Nigeria's human rights record.	Reforms to the investment regime in 1995 eliminated requirement mandating employment of Nigerians. The approval process is often arbitrary and there are long delays. Most investment is in the oil and gas sectors. Basic infrastructure is extensive, but is inadequate for the needs of such a large country. Roads and bridges are in disrepair, telephone service is erratic, frequent shortages of fuel, water, and electricity. Other major problems include a deteriorating economy, political uncertainty, social unrest, and alleged widespread corruption and fraud.	\$260
Rwanda	Import duties are 10-60 percent	The post-war economic situation is grim; more than half of its agricultural land and industrial output was lost. Import regime has been streamlined since 1995, but borders have been virtually closed to all commerce because of civil unrest. Infrastructure, particularly in communications, transport and health services delivery, make travel in the country difficult and potentially hazardous.	Biggest deterrents to investment are civil unrest and crime. The Government is attempting to establish a modern investment code and reform its legal institutions to protect contracts.	\$180

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
São Tomè and Príncipe	NA	Price controls and subsidies on imported foodstuffs and petroleum have been eliminated. The state trading company's monopoly has been abolished. Export procedures have been simplified, and automatic import licensing system is being implemented.	A major land reform and comprehensive privatization program have been undertaken.	\$350
Senegal	23.6	Severe economic downturn since 1990 has prompted the Government to reduce spending and reform the economy. Trade restrictions exist in the form of import bans, import licenses, and strict documentation requirements.	Foreign investment is prohibited in food and fisheries industries, although 100-percent ownership is permitted in most other areas. Foreign and domestic firms are treated equally. Railroads, electricity, telecommunications and postal services are under state control. Has some of the best commercial facilities in West Africa—good transportation links, good water and electricity supply, and financial services.	\$600
Seychelles	NA	The country is heavily dependent on imported foods and sustains a substantial visible trade deficit which is partly offset by earnings from tourism. The Government is seeking to encourage greater self sufficiency in agriculture. A number of reforms have been introduced that encourage privatization in tourism, industry, and agriculture.	Incentives and tax concessions are available to attract foreign investment in tourism, manufacturing and petroleum exploration. There are no national ownership requirements and some protection against expropriation. In 1995 the Government began promoting the country as an offshore integrated business center and established the Seychelles International Trade Zone. In general there are no foreign exchange controls, however, permits are required for imports of inputs and exports of finished products. Repatriation of profits and dividends is reportedly difficult.	\$6,620
Sierra Leone	34.4 (1995)	NTBs take the form of excessively cumbersome bureaucracy.	All investments must be approved by the Government. Foreigners are banned from investing in local industries (e.g., cement blocks or granite and sandstone excavation) or in the manufacture of certain durable consumer goods. Allegedly, corruption is a problem, as is poor physical infrastructure, and a low literacy rate.	\$180
Somalia	NA	Tariffs do not impede imports or exports. Biggest impediment to trade is the confiscation of goods by customs officials. Crime greatly impedes the movement of goods across borders.	Effects of civil unrest greatly deter investment. Foreign investors have no clear protections.	NA

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
South Africa	15.0 (1995)	Economic liberalization has been undertaken. List of restricted goods requiring import permits has been reduced, but still includes food-stuffs, clothing, fabrics, footwear, wood and paper products, refined petroleum products and chemicals.	Foreign investment does not require government approval. Foreign investors generally receive national treatment, except they are subject to certain borrowing limits. Only a few areas of the economy are reserved for South Africans, and foreign investors are free to acquire land. No foreign investment incentives. High corporate taxes, crime, and low labor productivity are detriments to foreign investment.	\$3,160
Sudan	24.0 (1993)	Import and export licenses were eliminated recently. Import bans exist for about 30 products. A burdensome and cumbersome customs service is reportedly a problem.	Foreign investment is approved on a case-by-case basis and is not permitted in wholesale or retail companies or in the production of cotton. Bureaucratic procedures designed to encourage the employment of domestic labor are cumbersome. Travel by foreigners within the country is very difficult and closely controlled. Disruptions of water and electricity are frequent and telecommunications are not reliable.	NA
Swaziland	19.2 (1996)	Has one of the most free-market economies in Africa and recently reduced barriers to foreign investment.	Foreign investment is encouraged and the nationalization of foreign-owned property is prohibited by law. Foreign firms receive same legal treatment as domestic firms. Economy is completely open to foreign investment with few formal barriers. Government is developing new investment code.	\$1,170
Tanzania	8.6 (1995)	A cumbersome Customs Department is allegedly a great impediment to trade; clearance delays and extra-legal levies are commonplace.	A new investment code creates a more favorable investment climate. A one-stop investment center was established. Minority government participation in mining projects is no longer required. Investment incentives are offered and a free-trade zone exists. A cumbersome bureaucracy impedes investments by requiring business licenses, company registrations and other documentation. Foreign ownership of land is prohibited. Investors may have to deal with a corrupt and inefficient bureaucracy.	\$120

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	GNP per capita, 1995 (dollars)
Togo	NA	Phosphate mining and cotton are the principal sources of export revenues. During the 1980s, Togo implemented a broad economic stabilization and adjustment program that included reform of the foreign trade regime. Among the accomplishments were elimination of export and import licensing and of the state trading company's import monopoly; price liberalization; privatization of public enterprises; creation of an export processing zone and the adoption of a three-year investment program.	A long period of political instability (until May 1994) and deteriorating infrastructure have adversely affected investment conditions. But the investment code is designed to attract foreign investment and it provides national treatment to foreign firms. Free transfer of capital and profit repatriation is guaranteed.	\$310
Uganda	NA	The Museveni Government has been undertaking dramatic economic reforms over the past several years, resulting in impressive economic growth. In 1993, the highest import duty decreased from 80 percent to 30 percent and the lowest duty decreased from 50 percent to 10 percent. The Ministry of Commerce reserves the right to restrict the import of goods that compete with local industries. Beer, cigarettes, and a few other imports are banned.	The Government has moved to decrease investment barriers although investors may still encounter significant bureaucratic obstacles. Foreign investors may wholly own Ugandan companies and foreign investments are treated in a nondiscriminatory manner. There are incentives such as some tax holidays. Foreigners may not own agricultural land.	\$240
Zaire	NA	Under former President Mobutu, the largest barrier to trade was allegedly government corruption, particularly in the customs service.	Country opening slowly to foreign investment, but environment under Mobutu was not favorable to foreigners. Most investment takes place in mining sector. Movement within the country is cumbersome, and sometimes dangerous.	\$120
Zambia	5.5	The Government's economic liberalization agenda has suffered some setbacks. Privatization has been sluggish and economic growth minimal over the past few years. Has a relatively low average tariff and import restrictions have been eased.	Foreign investment laws have improved, and there are some investment incentives. Foreign and domestic investors are treated equally and few investment opportunities are off-limits to foreigners. The country is attracting commercial farmers from South Africa and Zimbabwe. Foreign investment must be screened by an investment board which moves quickly and efficiently. Various licensing requirements and difficulties in acquiring land deter some foreign investment.	\$400

Table 1-2—Continued
Summary of trade climate and foreign investment climate in Sub-Saharan African countries

Country	Average tariff rate (Percent)	Trade climate	Foreign investment climate	(GNP per capita, 1995 dollars)
Zimbabwe	30.0 (1995)	The Mugabe Government has made some moves to liberalize the economy. Restrictions eased on foreign investment, and most price controls were eliminated, for example. Little progress made in privatization. Customs procedures are complex and concern over cheaper South African imports could lead to more protectionist measures. Some textiles and clothing imports are banned. There has been progress in reducing NTBs.	A 1992 foreign investment code significantly liberalized the investment regime. Incentives, such as duty-free imports in some cases, were recently introduced. The Zimbabwe Stock Exchange has been opened to foreign investment. Prior government approval is required for all FDI. In 1994, the government banned several sectors from foreign participation including much of the agriculture, forestry, and transportation sectors. Foreign control of insurance companies is discouraged.	\$540

NA—Not Available.

Sources: *The Economist Intelligence Unit*, country profiles, various issues; Europa Publications Ltd, *Africa South of the Sahara 1997*; The World Bank, *Trends in Developing Economies Extracts, 1995*; *Country Commercial Guides* (various countries); *1997 Index of Economic Freedom* (The Heritage Foundation and The Wall Street Journal: Washington, DC, 1997); World Bank, *World Development Report 1997*; and U.S. Department of State, Bureau of African Affairs, *Investment Climate Reports: Sub-Saharan Africa*, April 1997.

**Table 1-3
Sub-Saharan Africa: Membership in multilateral organizations and participation in U.S. programs**

Country	IMF member	World Bank/ IDA eligible	World Bank/ lending	MIGA member or applying	IFC member	African Development Bank		Exim-bank exposure	OPIC 1996 investment projects
						Member	Loans made in 1996		
Benin	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No
Botswana	Yes	No	No	Yes	Yes	Yes	No	No	No
Burkina Faso	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No
Burundi	Yes	Yes	No	Applying	Yes	Yes	No	No	No
Cameroon	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Cape Verde	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Central African Republic	Yes	Yes	No	No	Yes	Yes	No	Yes	No
Chad	Yes	Yes	Yes	Applying	Yes	Yes	No	No	No
Comoros	Yes	Yes	No	No	Yes	Yes	No	No	No
Congo	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No
Côte d'Ivoire	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Djibouti	Yes	Yes	No	No	Yes	Yes	No	No	No
Equatorial Guinea	Yes	Yes	No	Yes	Yes	Yes	No	No	No
Eritrea	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Ethiopia	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Gabon	Yes	No	No	Applying	Yes	Yes	No	Yes	No
The Gambia	Yes	Yes	No	Yes	Yes	Yes	No	No	No
Ghana	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Guinea	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Guinea-Bissau	Yes	Yes	No	Applying	Yes	Yes	No	No	No
Kenya	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Lesotho	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Liberia	Yes	Yes	No	No	Yes	Yes	No	Yes	No
Madagascar	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No

Table 1-3—Continued
Sub-Saharan Africa: Membership in multilateral organizations and participation in U.S. programs

Country	IMF member	World Bank/IDA eligible	World Bank/lending	MIGA member or applying	IFC member	African Development Bank		Exim-bank exposure	OPIC 1996 investment projects
						Member	Loans made in 1996		
Malawi	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Mali	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Mauritania	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
Mauritius	Yes	No	No	Yes	Yes	Yes	No	Yes	No
Mozambique	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No
Namibia	Yes	No	No	Yes	Yes	Yes	No	No	No
Niger	Yes	Yes	No	Applying	Yes	Yes	No	Yes	No
Nigeria	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No
Rwanda	Yes	Yes	No	Applying	Yes	Yes	No	No	No
São Tomé and Príncipe	Yes	Yes	No	No	No	Yes	No	No	No
Senegal	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Sierra Leone	Yes	Yes	Yes	Applying	Yes	Yes	No	Yes	No
Seychelles	Yes	No	No	Yes	Yes	Yes	No	Yes	No
Somalia	Yes	Yes	No	No	Yes	Yes	No	No	No
South Africa	Yes	No	No	Yes	Yes	Yes	No	No	Yes
Sudan	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No
Swaziland	Yes	No	No	Yes	Yes	Yes	No	Yes	No
Tanzania	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Togo	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Uganda	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Zaire	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No

MIGA = Multilateral Investment Guarantee Agreement.

IDA = International Development Association.

IFC = International Finance Corporation

OPIC = Overseas Private Investment Corporation.

Eximbank = Export Bank of the United States.

Sources: Compiled by the staff of the U.S. International Trade Commission.

Table 1-4
IMF Support for countries in Sub-Saharan Africa, 1995-96

Country	Type of support	Amount (millions of SDRs)	Date approved	Duration
Benin	ESAF	18.12	May 22, 1995	-
Burkina Faso	ESAF	17.7	May 31, 1995	-
Cameroon	SA	67.6	Sept. 27, 1995	12 months
Chad	ESAF	49.6	Sept. 1, 1995	3 years
	AA	16.5		
Côte d'Ivoire	ESAF	119.1	May 19, 1995	-
Djibouti	SA	4.6	April 15, 1996	14 months
Gabon	EFF	110.3	Nov. 8, 1995	3 years
Ghana	ESAF	164.4	June 30, 1995	3 years
Guinea	ESAF	23.2	Dec. 20, 1995	-
Kenya	ESAF	149.55	April 26, 1996	-
Lesotho	SA	7.17	July 31, 1995	12 months
Malawi	ESAF	45.8	Oct. 18, 1995	3 years
	AA	15.3		
Mali	ESAF	62.01	April 10, 1996	
Mauritania	ESAF	14.25	April 17, 1996	
Rwanda	CCFF	8.9	Oct. 27, 1995	
Sierra Leone	ESAF	23.2	Dec. 18, 1995	
Togo	ESAF	21.7	Dec. 20, 1995	
Uganda	ESAF	40.17	Nov. 29, 1995	
Zambia	ESAF	701.7	Dec. 6, 1995	
	SAF	181.7		

AA = Annual Arrangement
SAF = Structural Adjustment Facility
ESAF = Enhanced Structural Adjustment Facility
SA = Standby Arrangement
EFF = Extended Fund Facility
CCFF = Compensatory and Contingency Financing Facility

Sources: IMF, *Annual Report, 1996*, pp. 105-127.

Table 1-5
Sub-Saharan Africa: Privatization transactions in selected countries, 1995

Country	Sector	Number of projects	Equity share, total
			<i>Million dollars</i>
Benin	Industrial	4	1.4
Burkina Faso	Industrial	1	0.3
Cape Verde	Telecommunications	1	0.3
Côte d'Ivoire	Agriculture	1	3.4
	Agroindustry	1	4.0
	Fishing	1	0.4
	Industrial	1	38.3
	Mining	1	5.8
	Petroleum	1	3.5
	Services	2	2.5
	Telecommunications	1	-
	Tourism	1	-
	Other	4	57.8
	Ghana	Agriculture	1
Agroindustry		2	6.7
Industrial		2	4.3
Mining		1	62.0
Services		1	0.3
Kenya	Agroindustry	3	0.7
	Airline	1	26.0
	Industrial	4	3.9
	Services	2	1.8
	Textiles	2	4.5
	Other	5	2.4
Malawi	Bookstore	1	1.8
Mauritania	Fishing	2	1.1
Mozambique	Agroindustry	4	5.3
	Industrial	4	2.1
	Services	1	0.3
	Textiles	6	0.6
	Transport	1	0.9
	Other	3	14.3
Tanzania	Agriculture	7	6.3
	Chemicals	1	1.4
	Industrial	2	66.5
	Manufacturing	4	4.9
	Mining	1	0.2
	Textiles	1	0.0
	Tourism	1	0.2
	Other	2	0.4
Togo	Transport	1	-
Uganda	Fishing	1	1.1
	Manufacturing	2	0.6
	Services	3	1.3
	Tourism/hotel	8	35.4
	Other	3	8.4
Zambia	Agribusiness	1	50.0
	Other	3	19.2
Zimbabwe	Manufacturing	1	6.5
	Mining	1	225.0
	Tourism	1	75.0

Source: World Bank, *Global Development Finance, 1997*, vol. 1: Analysis and Summary Tables, 1997.

CHAPTER 2

U.S.-Sub-Saharan Africa Trade and Investment

This chapter provides an overview of U.S.-Sub-Saharan African trade (merchandise and services) and investment flows during 1996. The discussion of merchandise trade flows is presented in terms of major U.S. trading partners in the region, as well as in terms of the main sub-regional groupings. More detailed discussions of trade by sector are presented in chapter 4. Data in this chapter cover the period 1992-1996; however, prior reports in this series provide trade and investment data back to the year 1990.¹

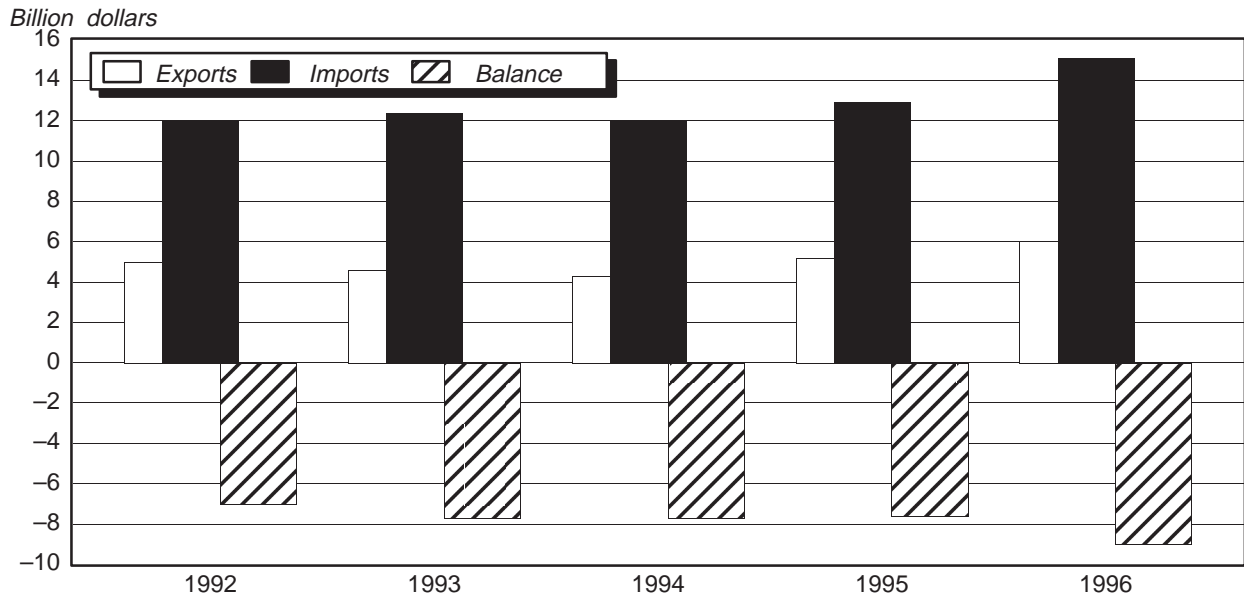
merchandise exports to the region amounted to \$6.0 billion in 1996, or about 1 percent of total U.S. merchandise exports of \$611.7 billion in that year. U.S. merchandise imports from Sub-Saharan Africa amounted to \$15.1 billion, or about 2 percent of total U.S. merchandise imports of \$799.3 billion in that year. Two-way trade between the United States and Sub-Saharan Africa has generally increased during the 1990s to a record high of \$21.2 billion in 1996 (figure 2-2). The United States continued to maintain a merchandise trade deficit with Sub-Saharan Africa, which amounted to 9.1 billion in 1996. As in prior years, imports of energy products (primarily crude petroleum) accounted for the bulk of U.S imports from Sub-Saharan Africa and are largely responsible for the U.S. trade deficit with the region (table 2-1); three countries—Nigeria, Angola, and Gabon—supplied 94 percent of those energy

U.S. Merchandise Trade

Figure 2-1 shows trends in U.S. merchandise trade with Sub-Saharan Africa during 1992-96. U.S.

¹ For data series beginning in 1990, see USITC, *U.S. Africa Trade Flows and Effects, First Report*, USITC publication 2938, January 1996, table 2-1, p. 2-2.

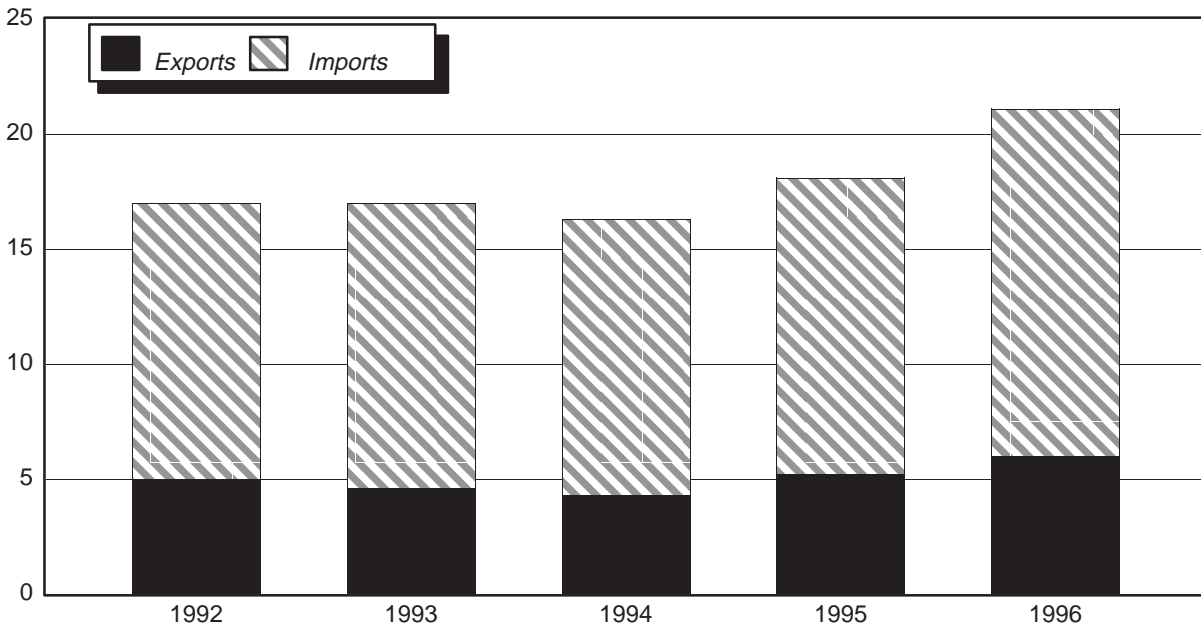
Figure 2-1
U.S. trade with Sub-Saharan Africa



Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 2-2
U.S. Sub-Saharan Africa two-way (exports plus imports) trade, 1992-96

Billion dollars



Source: Compiled from data supplied by the Department of Commerce.

imports (see chapter 4 for additional information on the energy sector).

U.S. Merchandise Exports

U.S. exports to Sub-Saharan Africa rose from \$5.3 billion in 1995 to \$6.0 billion in 1996, or by 14.1 percent. In contrast, U.S. exports to the region averaged just \$4.8 billion during the period 1992-95.

Transportation equipment, agricultural products, machinery, electronic products, and chemicals are the largest U.S. merchandise export sectors to Sub-Saharan Africa. Combined, these five sectors accounted for 80 percent of the value of U.S. merchandise exports to the region in 1996 (figure 2-3). U.S. exports of transportation equipment increased by more than 44 percent during 1995-96. Exports to South Africa, the region's largest purchaser of U.S. transportation equipment—including aircraft and aircraft parts, parts for drilling derricks, and trucks—increased by 18 percent. Transportation equipment exports to Nigeria, the second largest purchaser, increased by 88 percent, led by parts for boring and sinking machinery. Among the sectors making up a small (each less than 5 percent) share of U.S. exports to Sub-Saharan Africa, energy-related products and footwear both increased by more than 62 percent during 1995-96, while the only sector in which U.S. exports declined by more than 10 percent

during the period was that of forest products—down by 13.4 percent.²

South Africa is by far the largest consumer in the region of U.S. exports across all sectors. U.S. exports to South Africa expanded by 13.3 percent during 1995-96 to a total of \$3.0 billion, accounting for approximately one-half of total U.S. exports to Sub-Saharan Africa during 1996 (figure 2-4). Other major consumers of U.S. exports to the region, each receiving U.S. shipments valued over \$200 million, were Nigeria (rising by 35 percent during 1995-96 to almost \$800 million or 13.2 percent of total U.S. exports to the region), Ghana (up 76.6 percent to \$294 million or 4.9 percent of the total), and Angola (up 2.6 percent to \$265 million or 4.4 percent of the total). Combined, these four countries accounted for nearly three-fourths of total U.S. exports to Sub-Saharan Africa.

Other important Sub-Saharan African consumers of U.S. exports during 1996—each receiving U.S. shipments with a total value of \$100-200 million during the year—were Ethiopia, Côte d'Ivoire, Seychelles, and Kenya. Combined, these four countries accounted for 8.1 percent of total U.S. exports to the region. U.S. exports to Ethiopia, Côte d'Ivoire, and Kenya declined during 1995-96; exports to the Seychelles rose from \$6 million to over \$103

² See chapter 4 for a more detailed analysis of trends by sector.

Table 2-1
Sub-Saharan Africa: U.S. exports of domestic merchandise, imports for consumption, and
merchandise trade balance, by major commodity sectors, 1992-1996¹

(Million dollars)

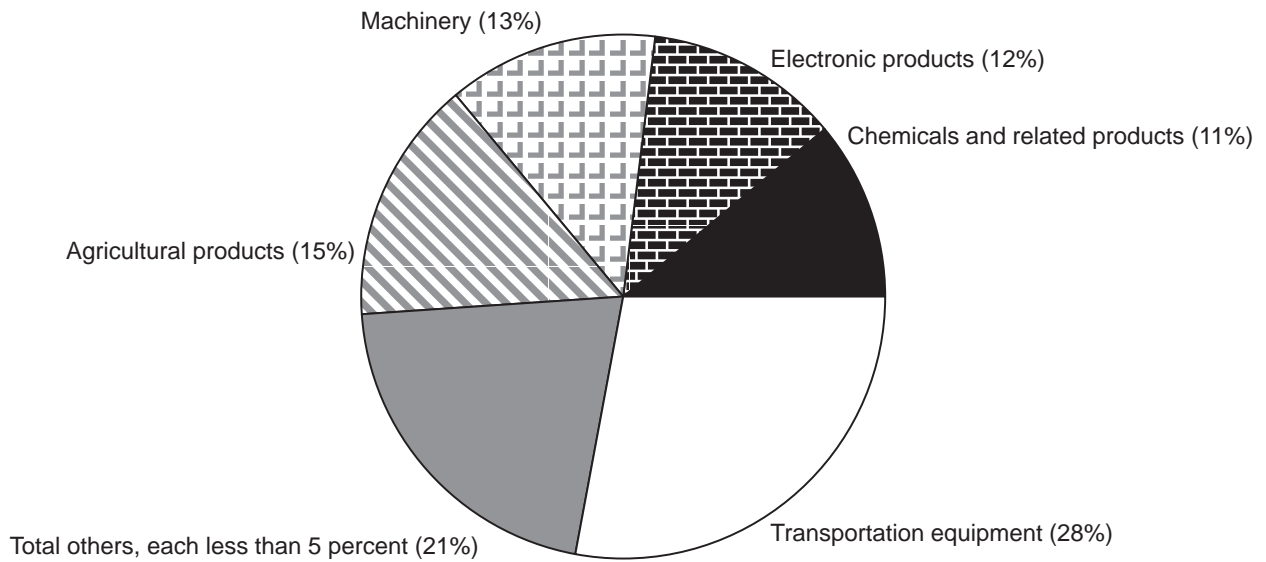
Item	1992	1993	1994	1995	1996
U.S. exports of domestic merchandise:					
Agricultural products	1,145	875	779	936	892
Forest products	166	176	170	236	204
Chemicals and related products	522	494	485	706	687
Energy-related products	119	125	114	149	243
Textiles and apparel	162	155	142	171	201
Footwear	5	7	10	9	14
Minerals and metals	175	155	148	220	281
Machinery	609	605	581	638	766
Transportation equipment	1,527	1,199	937	1,180	1,703
Electronic products	593	644	674	752	729
Miscellaneous manufactures	44	51	72	55	64
Special provisions	232	211	227	247	260
Total	5,300	4,697	4,339	5,299	6,046
U.S. imports for consumption:					
Agricultural products	591	670	685	687	858
Forest products	68	66	75	101	114
Chemicals and related products	111	128	153	227	418
Energy-related products	8,981	9,056	8,421	9,055	10,801
Textiles and apparel	234	329	406	426	396
Footwear	2	4	4	1	1
Minerals and metals	1,929	1,938	2,056	2,143	2,178
Machinery	34	41	44	53	79
Transportation equipment	22	29	34	54	71
Electronic products	20	20	28	48	52
Miscellaneous manufactures	21	31	58	47	58
Special provisions	69	109	88	99	101
Total	12,083	12,422	12,052	12,941	15,128
U.S. merchandise trade balance:					
Agricultural products	554	205	94	250	34
Forest products	98	110	95	135	90
Chemicals and related products	411	365	332	479	269
Energy-related products	-8,862	-8,930	-8,308	-8,905	-10,559
Textiles and apparel	-72	-175	-264	-255	-194
Footwear	3	2	6	7	13
Minerals and metals	-1,754	-1,783	-1,908	-1,922	-1,897
Machinery	575	564	537	585	687
Transportation equipment	1,505	1,170	903	1,126	1,633
Electronic products	573	624	646	704	677
Miscellaneous manufactures	23	20	14	7	6
Special provisions	163	102	139	148	159
Total	-6,783	-7,725	-7,713	-7,642	-9,082

¹ Import values are based on customs value; export values are based on f.a.s. value, U.S. port of export.

Note.—Because of rounding, figures may not add to totals shown.

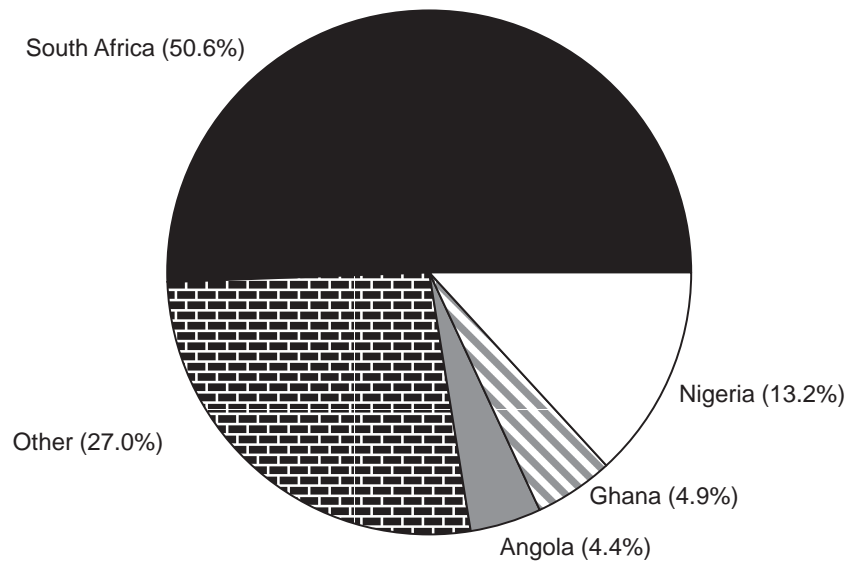
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 2-3
U.S. exports to Sub-Saharan Africa of leading commodity sectors, by share, 1996
(Percentage)



Source: Compiled from official statistics of the Department of Commerce.

Figure 2-4
Sub-Saharan Africa: U.S. major trading partners, value of shares U.S. exports, 1996
(Percentage)



Source: Compiled from official statistics of the Department of Commerce.

million due largely to increased U.S. shipments of transportation equipment to that country.

The major U.S. commodity exports to Sub-Saharan Africa are shown at the six-digit level of the *Harmonized Tariff Schedule of the United States (HTS)* in table 2-2. A surge in exports of parts for boring or sinking machinery made this item the single largest U.S. export to Sub-Saharan Africa in 1996, with exports valued at \$489 million. This category was followed by wheat (\$372 million), airplanes and aircraft (\$172 million), parts of airplanes or helicopters (\$112 million), parts for derricks (\$107 million), and rice (\$104 million).

U.S. Merchandise Imports

U.S. imports from Sub-Saharan Africa rose from \$12.9 billion in 1995 to \$15.1 billion in 1996, or by 16.9 percent—the largest one-year increase in imports from the region during the 1990s (table 2-1).³ As in prior years, energy-related products and minerals and metals were the largest sectors for U.S. imports from Sub-Saharan Africa, accounting for 71 and 14 percent respectively (for a combined total of 85 percent), by value of U.S. merchandise imports from the region in 1996 (figure 2-5). Imports of energy-related products (94 percent of which was crude petroleum, with Nigeria the leading regional supplier) grew by 19.3 percent during 1995-96, primarily the result of a \$5-6 per barrel increase in the price of crude petroleum on the world market. Imports of minerals and metals (mostly platinum-group metals, with South Africa the leading supplier) grew by 1.7 percent. Imports of agricultural products (chiefly tropical products such as cocoa products, coffee and tea, natural gums and resins, and vanilla beans, with Côte d'Ivoire the leading supplier) grew by 6 percent. Remaining sectors each made up less than 5 percent of U.S. imports from the region. Imports declined in two sectors—footwear imports contracted by 27 percent, and imports of textile and apparel articles declined by 7 percent due, in part, to the effects of U.S. quotas.⁴

Combined imports from four countries—Nigeria, Angola, South Africa, and Gabon—accounted for 84.2 percent of the total value of U.S. imports from Sub-Saharan Africa in 1996 (figure 2-6). Nigeria remains by far the largest supplier of U.S. imports from Sub-Saharan Africa, supplying 38.8 percent of

³ Data for 1990 and 1991 are not shown in this report. U.S. imports from Sub-Saharan Africa in 1990 were valued at \$12.6 billion; 1991 imports were \$11.7 billion. For complete data series beginning in 1990, see USITC, *U.S. Africa Trade Flows and Effects, First Report*, USITC publication 2938, January 1996, table 2-1, p. 2-2.

⁴ See chapter 4 for a more detailed analysis of trends by sector.

total U.S. imports from the region; total U.S. imports from Nigeria increased by 20.5 percent during 1995-96 to \$5.9 billion, or 38.8 percent of total U.S. imports from Sub-Saharan Africa. More than 96 percent of those Nigerian imports were made up of energy-related (petroleum) products. The other three leading U.S. import suppliers each provided total shipments valued \$1 billion or more during the year. Shipments from Angola increased by 16.8 percent during 1995-96 to \$2.7 billion, or 17.8 percent of the total; more than 98 percent of U.S. imports from that country were made up of energy-related products. Shipments from South Africa rose by 5.0 percent to \$2.3 billion, or 15.3 percent of the total; more than 68 percent of those imports were minerals and metals. Shipments from Gabon increased by 16.7 percent to \$1.8 billion, or 12.2 percent of the total; more than 97 percent of those imports were energy-related products.

The next grouping of important U.S. import suppliers, each with total shipments valued \$100 million to \$500 million in 1996, were Côte d'Ivoire, Congo, Zaire, Mauritius, Ghana, Zimbabwe, Guinea, and Kenya. Combined, these eight countries accounted for 11.2 percent of the total value of U.S. imports from Sub-Saharan Africa. Imports from Côte d'Ivoire increased by 88.6 percent during 1995-96, aided by a strong increase in shipments from that country of agricultural, chemical, electronic, energy, and forest products, and that country's continued high economic growth. Imports from Congo increased by 56.5 percent during 1995-96 as agricultural and energy shipments from that country recovered from declines posted in 1995 and shipments of forest products and minerals expanded. Imports from Zimbabwe and Guinea rose by 28.2 and 24.0 percent, respectively, during 1995-96; imports from the other countries in this group declined.

The major U.S. commodity imports from Sub-Saharan Africa are shown at the six-digit level of the *HTS* in table 2-3. As in prior years, petroleum was the single largest U.S. import from Sub-Saharan Africa in 1996, accounting for \$8.5 billion, or 55.9 percent of U.S. imports from the region in that year. Other important U.S. imports during the year were oil (not crude), platinum, petroleum coke, diamonds, cocoa beans, petroleum gases, ash and residues, and liquefied propane.

Duty-free Imports

The U.S. Generalized System of Preferences (GSP) provides nonreciprocal duty-free treatment for imports of eligible articles produced in developing countries in order to promote economic development

Table 2-2
Sub-Saharan Africa: Value of U.S. exports, by major commodity items, 1992-96

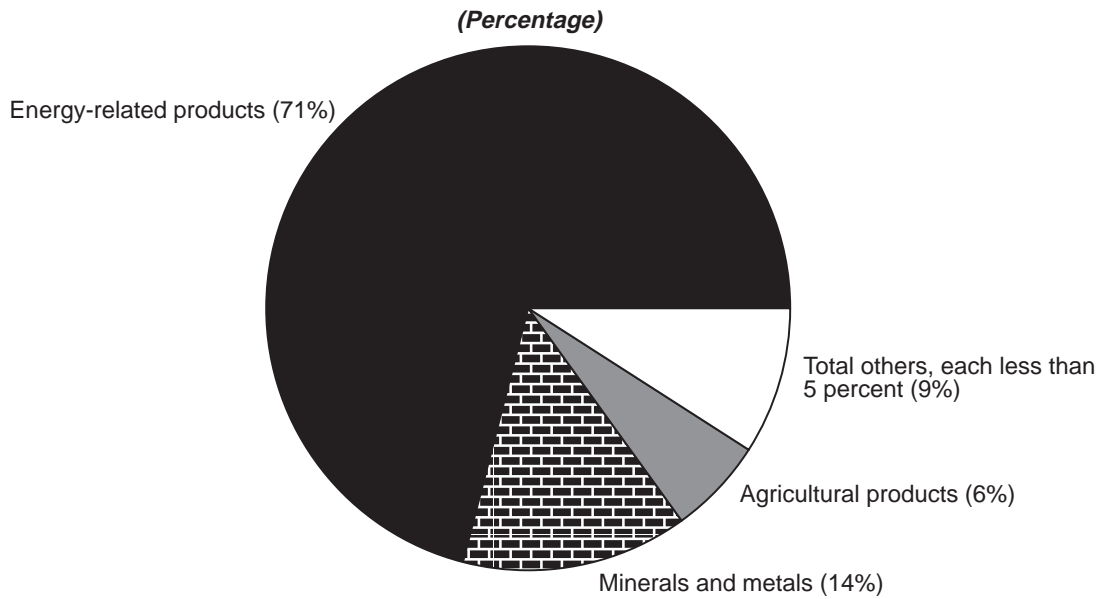
(Million dollars)

Schedule B No.	Description	1992	1993	1994	1995	1996
8431.43	Parts for boring or sinking machinery, nesoi	333	258	221	261	489
1001.90	Wheat (other than durum wheat) and meslin	136	297	244	296	372
9880.00	Estimated "low value" shipments	155	147	152	196	213
8802.40	Airplane and a/c, unladen weight > 15,000 kg	385	291	35	18	172
8803.30	Parts of airplanes or helicopters, nesi	129	96	114	127	112
8431.49	Parts and attachments for derricks, nesoi	36	41	52	65	107
1006.30	Rice, semi-or wholly polished etc. or not	114	92	98	72	104
6309.00	Worn clothing and other worn textile articles	72	67	56	80	92
8708.99	Parts and accessories of motor vehicles nesoi	32	31	29	53	89
8802.30	Airplane & a/c unladen weight > 2000, nov 15,000 kg	72	51	56	51	80
8704.10	Dumpers designed for off-highway use	38	27	50	77	66
2701.12	Bituminous coal, not agglomerated	20	28	29	37	65
8473.30	Parts and accessories for adp machines and units	52	58	61	73	61
1005.90	Corn (maize), other than seed corn	603	141	52	109	59
2710.00	Oil (not crude) from petroleum & bituminous mineral etc.	30	42	16	35	58
8471.49	Digital adp machines & units, entered as systems, nesoi	0	0	0	0	56
3100.00	Fertilizers, exports only including other crude materials	22	35	26	45	56
2713.12	Petroleum coke, calcined	15	13	17	28	52
8524.99	Recorded media for reproducing sound or image, nesoi	0	0	0	0	45
8471.80	Automatic data processing units, nesoi	0	0	0	0	42
8701.90	Tractors, nesoi	17	29	38	35	39
3811.21	Additive for lub oil cont petro/bituminous minoil	29	20	33	29	39
8701.20	Road tractors for semi-trailers	10	16	10	25	38
8431.39	Parts for lifting, handling, loading, unloading machines nesoi	34	27	26	30	37
8701.30	Track-laying tractors	19	14	23	47	36
	Total of items shown	2,355	1,825	1,442	1,794	2,584
	Total other	2,944	2,872	2,896	3,504	3,461
	Total all commodities	5,299	4,697	4,338	5,299	6,045

Note.—Because of rounding, figures may not add to total shown. The abbreviation, nesoi, stands for "not elsewhere specified or included."

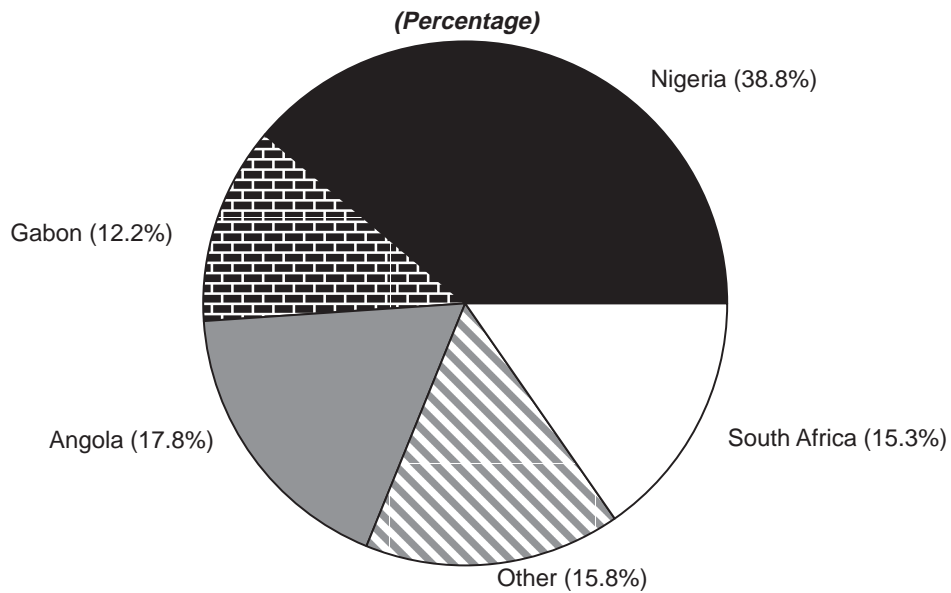
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 2-5
U.S. imports to Sub-Saharan Africa of leading commodity sectors, by share, 1996



Source: Compiled from official statistics of the Department of Commerce.

Figure 2-6
Sub-Saharan Africa: U.S. major trading partners, value of shares U.S. imports, 1996



Source: Compiled from official statistics of the Department of Commerce.

Table 2-3
Sub-Saharan Africa: Value of U.S. imports, by major commodity items, 1992-96

(Million dollars)

HTS No.	Description	1992	1993	1994	1995	1996
2709.00	Crude oil from petroleum and bituminous minerals	8,751	8,617	7,987	8,614	8,461
2710.00	Oil (not crude) from petroleum & bituminous mineral etc.	192	400	397	324	1,313
7110.00	Platinum, unwrought or powder	395	389	498	597	554
2713.11	Petroleum coke, not calcined	0	0	0	32	356
7102.31	Diamonds, nonindustrial, unworked	183	236	264	285	294
1801.00	Cocoa beans, whole or broken, raw or roasted	128	165	122	174	294
2711.29	Petroleum gases, etc., in gaseous state nesoi	0	0	(¹)	33	268
2620.90	Ash and residues nesoi, containing metals	132	123	142	121	147
2711.12	Propane, liquefied	0	0	0	13	101
7110.21	Palladium, unwrought or in powder form	46	74	97	108	99
1701.11	Cane sugar, raw, solid form, without added flavor or color	39	36	70	49	97
9801.00	Imports of articles exported and returned, no change	63	98	80	91	93
2606.00	Aluminum ores and concentrates	92	96	88	88	91
6205.20	Men's or boys' shirts, not knitted, of cotton	30	74	114	122	83
8105.10	Cobalt, unwrought	101	61	84	72	81
7102.39	Diamonds, nonindustrial, worked	34	50	70	58	81
6203.42	Men's or boys' trousers etc., not knitted, of cotton	45	63	75	74	81
7202.41	Ferrochromium over 4 percent carbon	71	39	29	83	80
2401.20	Tobacco, partly or wholly stemmed/stripped	103	142	63	36	67
0901.11	Coffee, not roasted, not decaffeinated	60	53	94	94	64
2902.20	Benzene	0	0	0	10	61
7110.31	Rhodium, unwrought or in powder form	188	94	85	83	60
7202.11	Ferromanganese with over 2 percent carbon	33	51	47	49	56
2711.14	Ethylene, propylene, butylene and butadiene liquified	0	0	0	8	55
7202.30	Ferrosilicon manganese	31	26	45	53	54
	Total of items shown	10,721	10,890	10,458	11,272	12,994
	Total other	1,362	1,532	1,594	1,668	2,134
	Total all commodities	12,083	12,422	12,052	12,940	15,128

¹ Less than \$1,000,000.

Note.—Because of rounding, figures may not add to total shown. The abbreviation, nesoi, stands for “not elsewhere specified or included.”

Source: Compiled from official statistics of the U.S. Department of Commerce.

through trade.⁵ During 1996, imports from 41 Sub-Saharan countries were authorized under GSP. Not designated for GSP, for various reasons, were Botswana, Eritrea, Gabon, Liberia, Mauritania, Nigeria, and Sudan. In addition, 29 of the Sub-Saharan African countries designated for U.S. GSP benefits also were included among the countries designated as least-developed beneficiary developing countries (LDBDCs) during 1996; LDBDCs receive enhanced GSP preferences.⁶

⁵ Many industrialized countries have enacted their own GSP programs to provide enhanced market access to products of developing countries. The basic principles for GSP preferential tariff programs were set forth by the United Nations Conference on Trade and Development (UNCTAD). GSP programs differ from the GATT/WTO principles of nondiscriminatory treatment (the most-favored-nation clause), but were authorized by the GATT by means of a formal derogation decision commonly known as the "enabling clause," which was first adopted on June 25, 1971 and has been subsequently renewed. "The European Union: New GSP Scheme," found at the Delegation of the EC to the U.S. Website, <http://www.eurunion.org/index.htm>. The U.S. GSP program is discussed in greater detail in chapter 3.

⁶ DBDCs are discussed in greater detail in the section on the U.S. GSP program in chapter 3. The Sub-Saharan African LDBDC countries are—Angola, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Djibouti, Equatorial Guinea, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Lesotho, Madagascar, Malawi, Mali, Mozambique, Niger, Rwanda, Sã o Tomé and Príncipe, Sierra Leone, Somalia, Tanzania, Togo, Uganda, Zaire, and Zambia. Angola, Ethiopia, Madagascar, Zaire, and Zambia were added to the list of LDBDCs, and Botswana was deleted from that list, in October 1996.

Imports from Sub-Saharan Africa entered duty-free under U.S. GSP rose from \$488.8 million in 1995 to \$588.2 million in 1996 or by 20.3 percent (table 2-4). Such imports rose to 3.9 percent by value of total U.S. imports from the region in 1996, almost the same percentage as in 1995. Combined, the Sub-Saharan African countries accounted for 3.5 percent of all U.S. GSP imports in 1996.⁷ South Africa remains by far the largest Sub-Saharan African supplier under U.S. GSP, with shipments up from \$357.0 million in 1995 to \$429.3 million, or 73 percent of the region's total in 1996. Zimbabwe was the second-ranking Sub-Saharan African supplier under GSP in 1996, with shipments from that country valued at \$72.5 million or 12.3 percent of the total. Minerals and metals made up the largest share of GSP imports from both countries, accounting for 41.7 percent of the imports from South Africa and 63.2 percent of the imports from Zimbabwe. Other countries each accounted for 3.1 percent or less of Sub-Saharan African imports entered under GSP. Data in table 2-5 show that minerals and metals and agricultural products are the largest sectors for GSP imports, accounting for 38.9 and 20.9 percent, respectively, of such imports from Sub-Saharan Africa in 1996. Energy-related products are the smallest sector for GSP imports because petroleum and petroleum products are not designated for U.S. GSP entry; the footwear and textiles and apparel also

⁷ Based on total U.S. GSP duty-free imports valued at \$16.9 billion in 1996. USITC, *The Year in Trade 1996: Operation of the Trade Agreements Program*, USITC publication 3024, April 1997, p. 144, table 5-3.

Table 2-4
Sub-Saharan Africa: Major U.S. import suppliers under the Generalized System of Preferences, 1992-96

Rank	Country	1992	1993	1994	1995	1996	1996 share of total
		Million dollars, custom value					Percent
1	South Africa	(1)	(1)	181.2	357.0	429.3	73.0
2	Zimbabwe	15.7	35.3	40.2	51.6	72.5	12.3
3	Mauritius	7.4	18.2	15.7	10.5	18.1	3.1
4	Swaziland	8.8	8.7	19.4	10.9	13.8	2.3
5	Mozambique	7.4	0.1	17.2	20.1	12.4	2.1
6	Cote d'Ivoire	6.5	13.5	10.7	7.9	9.0	1.5
7	Malawai	0.7	4.7	3.9	0.3	7.7	1.3
8	Kenya	5.0	7.2	9.1	6.6	5.6	1.0
9	Madagascar	6.2	1.3	7.8	6.7	3.7	0.6
10	Botswana	0.4	0.8	0.5	2.1	3.6	0.6
	Total countries shown	58.1	89.8	305.7	473.8	576.1	97.9
	All other countries	32.0	48.7	22.9	15.0	12.2	2.1
	Total	90.1	138.5	328.6	488.8	588.2	100.0

¹ South Africa not eligible for GSP during years indicated.

Note.—Because of rounding, figures may not add to total shown.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 2-5
Sub-Saharan Africa: U.S. Imports under the Generalized System of Preferences, value and shares of imports, by sectors, 1992-96

GSP imports	1992	1993	1994	1995	1996
<i>Thousands of dollars</i>					
Agricultural products	41,358	50,674	107,522	81,518	123,080
Forest products	3,149	4,044	11,410	13,417	12,845
Chemicals and related products	1,260	1,350	30,141	60,462	83,115
Energy related products	-	-	-	1	-
Textiles and apparel	1,018	578	2,055	3,154	1,930
Footwear	67	-	115	58	.3
Minerals and metals	30,804	59,133	116,567	221,700	228,786
Machinery	594	165	21,458	39,073	58,381
Transportation equipment	-	1,163	11,919	28,796	36,558
Electronic products	4,147	5,266	7,564	11,925	11,292
Miscellaneous manufactures	7,724	16,142	19,874	28,652	32,251
Total	90,122	138,517	328,626	488,758	588,238
<i>Percent of total imports from Sub-Saharan Africa</i>					
Agricultural products	6.99	7.56	15.70	11.87	14.34
Forest products	4.61	6.16	15.28	13.31	11.29
Chemicals and related products	1.14	1.05	19.67	26.65	19.87
Energy related products	-	-	-	(1)	-
Textiles and apparel	0.43	0.18	0.51	0.74	0.49
Footwear	3.03	-	2.94	5.80	0.03
Minerals and metals	1.60	3.05	5.67	10.35	10.50
Machinery	1.75	0.41	48.66	73.29	73.50
Transportation equipment	-	3.96	34.94	53.44	51.69
Electronic products	20.97	26.48	26.69	24.76	21.54
Miscellaneous manufactures	35.95	51.34	34.34	60.54	55.26
Total	0.75	1.12	2.73	3.78	3.89

¹ Less than one percent.

Note.—Because of rounding, figures may not add to total shown.

Source: Compiled from official statistics of the U.S. Department of Commerce.

ranked as small sectors for GSP imports because most of these products are not designated for U.S. GSP entry.

Despite the low overall share of total Sub-Saharan imports shipped under GSP (3.9 percent), in certain sectors imports under GSP account for significant percentages of U.S. imports from Sub-Saharan Africa. For example, in 1996, imports of machinery under GSP accounted for 73.5 percent of total sector imports, while imports of miscellaneous manufactures and transportation equipment accounted for 55.3 and 51.7 percent, respectively, of total sector imports from Sub-Saharan Africa.

The low overall share of total imports shipped under GSP may in part be explained by competing nonreciprocal preferential market access offered by the European Union (EU) to products of Sub-Saharan Africa. The EU members enacted a Europe-wide GSP scheme in 1971, which has been subsequently renewed.⁸ Moreover, the EU's Lomé Convention (see box on next page) provides even greater

preferential access for products of certain African (including all of the Sub-Saharan African countries except South Africa), Caribbean, and Pacific countries. One important difference between the U.S. GSP program and the Lomé Convention is that U.S. GSP excludes most textiles and apparel articles,⁹ while such articles are permitted duty- and quota-free entry under Lomé provisions when rules of origin requirements are met.

Average Tariffs and Dutiable Values

Average trade-weighted tariff rates on U.S. imports from Sub-Saharan Africa in 1995 and 1996 are shown in figure 2-7. The overall average

⁸—Continued

<http://www.eurunion.org/index.htm>. The U.S. GSP program is discussed in greater detail in chapter 3.

⁹ Excluded are articles subject to textile agreements, namely the Multifiber Arrangement and its successor the WTO Agreement on Textiles and Clothing. See chapter 4 for additional information on U.S.-Sub-Saharan trade in textiles and apparel.

⁸ "The European Union: New GSP Scheme," found at the Delegation of the EC to the U.S. Website,

The Lomé Convention: Europe's Preferential Trade Program for Developing Countries

The Lomé Convention is a series of comprehensive cooperation agreements between the European Union (EU) and 69 African, Caribbean, and Pacific (ACP) countries.¹ The first such agreement, Lomé I, was signed in 1975 in Lomé, Togo (notified to the GATT in 1976); it was renewed in 1980, 1985, and 1990. The 1990 agreement, Lomé IV, entered into force in 1991, and is scheduled to end in 2000; discussions are underway for a successor arrangement. The ACP countries are made up largely of Europe's former colonies. All of the Sub-Saharan African countries are ACP countries except South Africa; terms of accession for that country currently are being negotiated.

The Lomé Convention has three main components—

- Unilateral preferential trade, most notable duty-free and quota-free access to the EU market for ACP industrial and most agricultural exports; agricultural and food products not granted quota-free access nevertheless receive preferential rates of duty (safety, health, sanitary, and phytosanitary regulations still apply). Special protocols provide guaranteed quotas for ACP cane sugar, beef and veal, and rum. In May 1997, the WTO formally announced its finding that a new EU-wide banana trade regime (which replaced individual EU country quotas under the former banana protocol) was in violation of established world trade rules following a complaint by the United States and other countries.
- Price supports for export commodities, under which the EU compensates ACP countries for declines in commodity prices with the STABEX fund guaranteeing agricultural earnings and the SYSMIN fund underwriting mineral export earnings.
- Financial aid provided in various forms by the EU as well as by individual EU members. This includes large-scale emergency and humanitarian aid as well as special EU funding to support IMF and World Bank structural adjustment programs in support of economic reforms and restructuring.

Lomé Convention rules of origin consider all of the ACP countries as a single customs territory, thus allowing production of any article to be shared by any number of countries throughout the region. For products with non-ACP components, ACP countries generally are able to obtain derogations from normal rules of origin if they can prove to have added at least 45 percent to their value and so long as no EU market disturbance is entailed.

Among its benefits, the Lomé Convention provides for duty-free entry of African textile and apparel; the U.S. GSP program excludes most textile and apparel articles. A recent World Bank paper² found that for major Sub-Saharan African exporters such as Mauritius, Kenya, and Zimbabwe, the Lomé Convention tariff preference for textiles and apparel is a significant factor that makes EU post-Uruguay Round tariffs on African exports lower than U.S. tariffs on African exports.

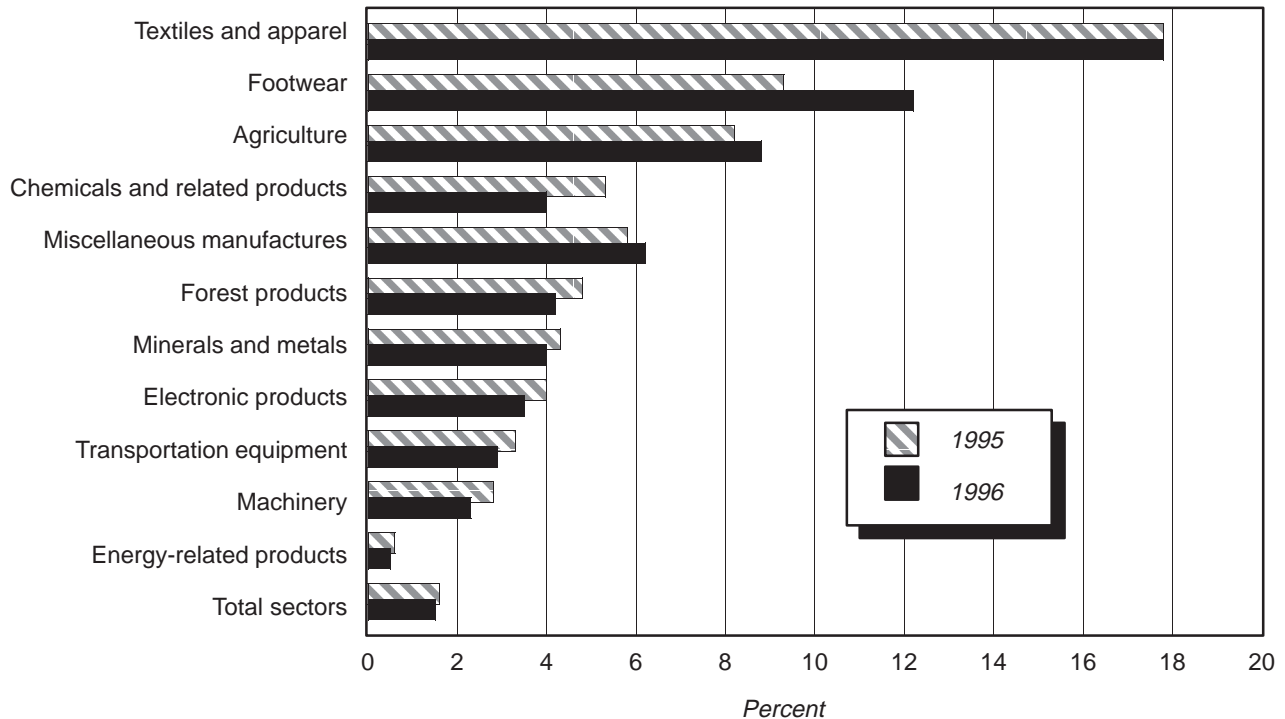
¹ The European Commission, "The Lomé Convention," Background Report BR/11/96, September 1996, found at EU website <http://www.cec.org.uk/pubs/br/br96/br9611.htm> and "The Lomé Convention: a Future After the Millennium?" Background Report BR/09/97, April 1997, found at EU website <http://www.cec.org.uk/pubs/br/br97/br9709.htm>.

² Azita Amjadi, Ulrich Reincke, and Alexander J. Yeats, "Did External Barriers Cause the Marginalization of Sub-Saharan Africa?" World Bank Discussion Paper No. 348, 1996, p. 19.

trade-weighted tariff rate for all U.S. merchandise imports from Sub-Saharan Africa was 1.5 percent *ad valorem* equivalent (AVE) in 1996, down from 1.7 percent in 1995. The highest average tariffs on U.S. dutiable imports in 1996 were on textiles and

apparel (17.9 percent AVE), footwear (12.2 percent AVE) and agricultural products (8.8 percent AVE). The lowest average trade-weighted tariffs in 1996 were on energy-related products (0.5 percent AVE), machinery (2.3 percent AVE), transportation

Figure 2-7
Sub-Saharan Africa: U.S. trade-weighted average tariffs by dutiable value, by sectors, 1995-96



Source: Compiled from official statistics of the Department of Commerce.

equipment (3.0 percent AVE), electronic equipment (3.6 percent AVE), chemicals and related products (4.0 percent AVE), and minerals and metals (4.0 percent AVE).

In 1996, 58.4 percent by value of U.S. imports from Sub-Saharan Africa was subject to import duties, down from 67.0 percent in 1995 (figure 2-8). As in 1995, imports of energy-related products accounted for 90.5 percent of these dutiable imports. Most of the imports in the textiles and apparel, footwear, and energy-related product sectors are dutiable, whereas the shares of dutiable imports in other sectors ranged from 2.1 percent (forest products) to 39.8 percent (electronic products).

U.S. Merchandise Trade Balance

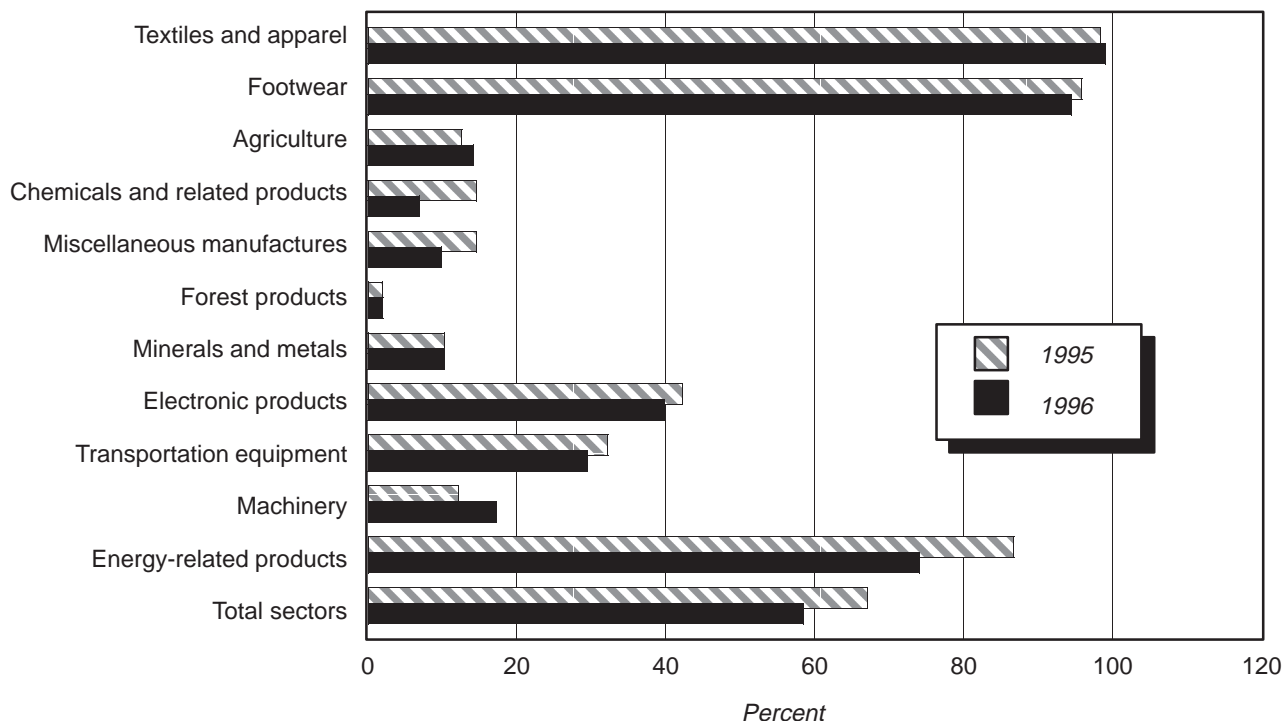
The U.S. merchandise trade balance with Sub-Saharan Africa was consistently negative during 1992-96 (table 2-1). The U.S. trade deficit increased by \$1.4 billion during 1995-96, the largest increase to

date during the 1990s, to reach a total of over \$9 billion—outpacing the \$8.6 billion trade deficit of 1990.¹⁰ The trade deficit in the energy-related products sector, which also increased during 1995-96, largely accounts for the overall U.S. trade deficit with the region. As in prior years, the United States continued to post a trade deficit in the textiles and apparel and the minerals and metals sectors; the trade deficits in these two sectors declined marginally during 1995-96.

From the perspective of Sub-Saharan Africa, the region maintained a consistent merchandise trade surplus with the United States during 1992-96, largely due to exports of petroleum (table 2-1). In contrast with the Sub-Saharan Africa's trade surplus with the United States, the African countries maintained a trade deficit with their major EU trading partners during 1996 (see figure 1-2). Sub-Saharan Africa's imports from the United States are comparable to its imports from the United Kingdom, Germany, and

¹⁰ For 1990 data, see USITC, *U.S.-Africa Trade Flows and Effects, First Report*, USITC publication 2938, January 1996, table 2-1, p. 2-2.

Figure 2-8
Sub-Saharan Africa: U.S. dutiable imports by share of sectors imports, 1995-96



Source: Compiled from official statistics of the Department of Commerce.

however, Sub-Saharan Africa exports far more to the United States than to any single European country. This continues a trend documented in prior reports in this series.¹¹

Antidumping and Countervailing Duty Actions

There were three U.S. antidumping orders in effect as of December 31, 1996 for certain goods from Sub-Saharan African countries. These antidumping duty orders applied to imports of fresh cut flowers from Kenya (effective date of original action¹² was April 23, 1987),¹³ furfuryl alcohol from South Africa

(effective June 21, 1995),¹⁴ and brazing copper wire and rod from South Africa (effective January 29, 1986).¹⁵ Antidumping orders are issued by the U.S. Department of Commerce (Commerce). An order may be issued only if Commerce has found that a product is being sold in the United States at less than fair value (dumped) and the U.S. International Trade Commission (Commission) has found that a domestic industry is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of that merchandise. Commerce conducts preliminary and final antidumping investigations. The Commission conducts a single investigation which has a preliminary phase and a final phase.

In other actions, the Commission made a negative final antidumping determination on less than fair value imports of circular welded non-alloy steel pipe from South Africa in June 1996 and no antidumping duty order was issued.¹⁶ The Commission made a preliminary antidumping injury determination on

¹¹ USITC, *U.S.-Africa Trade Flows and Effects, Second Report*, USITC publication 3000, October 1996, Figure 1-3, p. 1-8.

¹² The U.S. Department of Commerce conducts a periodic review of outstanding antidumping duty orders and suspension agreements, upon request, to determine if the amount of the net margin of underselling has changed. If a change has occurred, the imposed antidumping duties are adjusted accordingly. For more detailed information, see USITC, *The Year in Trade 1996: Operation of the Trade Agreements Program*, USITC publication 3024, April 1997, p. 141.

¹³ For notice of the order, see the *Federal Register* of Apr. 23, 1987 (52 F.R. 13490).

¹⁴ For notice of the order, see 60 F.R. 32302 (June 21, 1995).

¹⁵ For notice of the order, see 51 F.R. 3640 (Jan. 29, 1986).

¹⁶ For notice of the determination, see 61 F.R. 35814 (July 8, 1996).

imports of cut-to-length carbon steel plate from South Africa in December 1996.¹⁷ In June 1997, Commerce made a preliminary affirmative determination of dumping and instructed the U.S. Customs Service to require cash deposits or posting of bonds equal to the weighted-average dumping margins ranging from 15.77 to 31.45 percent. Commerce is expected to make its final determination of dumping in late October 1997. If this determination is also affirmative, the Commission will make a final determination on injury by reason of imports of that merchandise in December 1997.¹⁸

U.S.-Africa Services Trade

Data pertaining to U.S. trade in services with Sub-Saharan Africa are limited. Country-specific data generally are available only for a few countries in the region, with aggregate data available for the continent of Africa as a whole.

International transactions in services are conducted in two ways. Services may be sold by a firm in one country to consumers in another, with people, information, or money crossing national borders in the process. These are referred to as "cross-border transactions," and they appear explicitly as imports and exports in the balance of payments. Services also may be provided to foreign consumers through affiliates established within their countries. These are referred to as "affiliate transactions," and the income generated by foreign-based affiliates appears as investment income in the balance of payments. The channel of delivery used by service providers depends primarily on the nature of the service. For example, many professional services, such as architectural services, are supplied most effectively by foreign-based affiliates that are in proximity to the purchaser of the service. Conversely, trade in education services predominantly takes the form of cross-border transactions, with students traveling abroad to study in foreign universities. In 1994 cross-border transactions accounted for 54 percent of total U.S. service exports to the world and for 46 percent of total service imports.¹⁹

¹⁷ USITC, *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Investigation Nos. 731-TA-753-756 (Preliminary)*, USITC publication 3009, Dec. 1996. For notice of the determination, see 61 F.R. 68293 (Dec. 27, 1996).

¹⁸ For notice of the determination, see 62 F.R. 31963 (June 11, 1997).

¹⁹ U.S. Department of Commerce, Bureau of Economic Analysis (BEA), "U.S. International Sales and Purchases of Private Services," *Survey of Current Business*, Nov. 1996, p. 70.

Cross-Border Transactions

The United States recorded a cross-border services trade surplus of \$932 million with Africa in 1995 (figure 2-9).²⁰ U.S. cross-border exports of services to Africa amounted to \$2.8 billion in 1995 (table 2-6), accounting for less than 2 percent of total U.S. cross-border service exports. U.S. cross-border service exports to Africa grew by an annual average of 6 percent during 1992-94, and by 5 percent in 1994-95. Export growth in 1995 was mainly attributable to higher expenditures by inbound tourists and business travelers, and increased sales of rights to patented industrial processes and of construction-related services. At \$1.9 billion, U.S. cross-border service imports from Africa (table 2-7) represented less than 2 percent of all U.S. service imports. Following average annual growth of 7 percent during 1992-94, cross-border service imports from Africa declined by 4 percent in 1995, mainly due to sharply lower imports of transportation services. The 1995 cross-border trade surplus with Africa increased by \$221 million (31 percent) over the previous year's level.²¹

Tourism is the largest service exported to Africa,²² accounting for 23 percent of total U.S. cross-border service exports to the continent in 1995, followed by professional services with 20 percent, transportation with 19 percent, and education services with 12 percent. Tourism is also the largest service import from Africa,²³ accounting for 54 percent of total U.S. cross-border imports. Other predominant service imports include passenger transportation and telecommunication services, representing 14 percent and 12 percent, respectively, of total U.S. cross-border imports from Africa.²⁴

The largest U.S. trading partner among African countries is South Africa, accounting for 25 percent of service exports and 20 percent of service imports in 1995. Tourism, royalties and license fees, and computer and database professional services represented \$472 million (67 percent) of U.S. cross-border

²⁰ Country-specific detail on cross-border transactions is limited to South Africa, the United States' largest trading partner in the region. Beyond this, data on cross-border transactions are available only for the continent as a whole. The most recent year for which cross-border services trade data are available for South Africa and the African continent is 1995.

²¹ *Ibid.*, pp. 82-109.

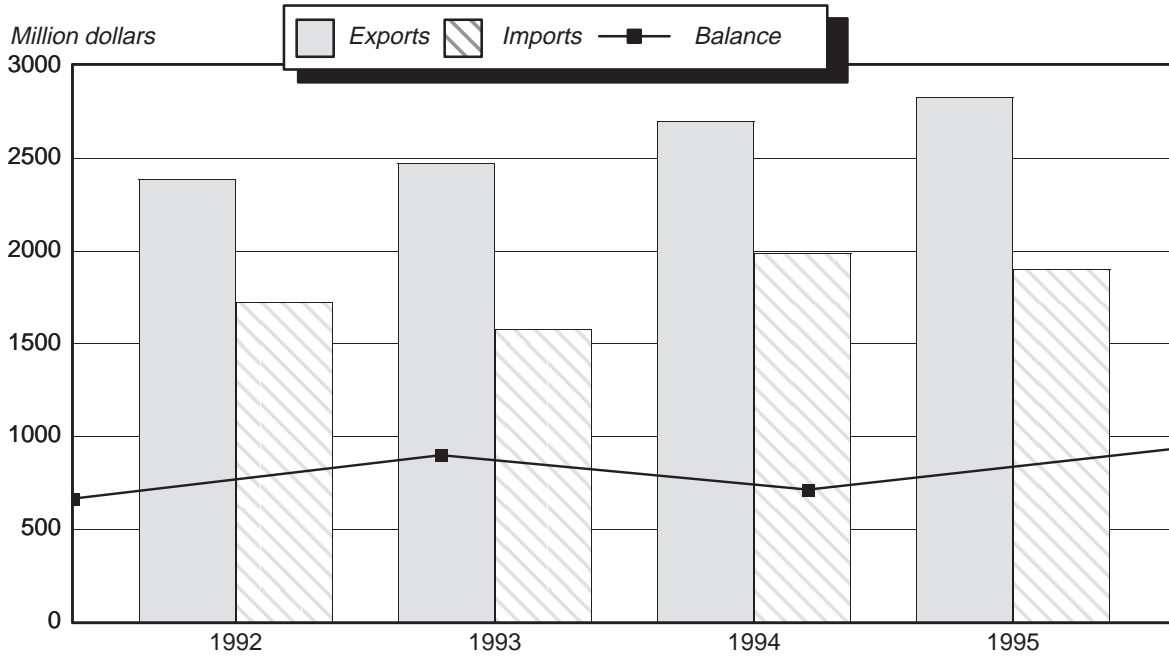
²² For the purposes of this report, tourism exports represent all expenditures in the United States by African travelers, excluding passenger fares on airlines and ocean-going vessels.

²³ Tourism imports represent all expenditures in Africa by U.S. travelers, excluding passenger fares on airlines and ocean-going vessels.

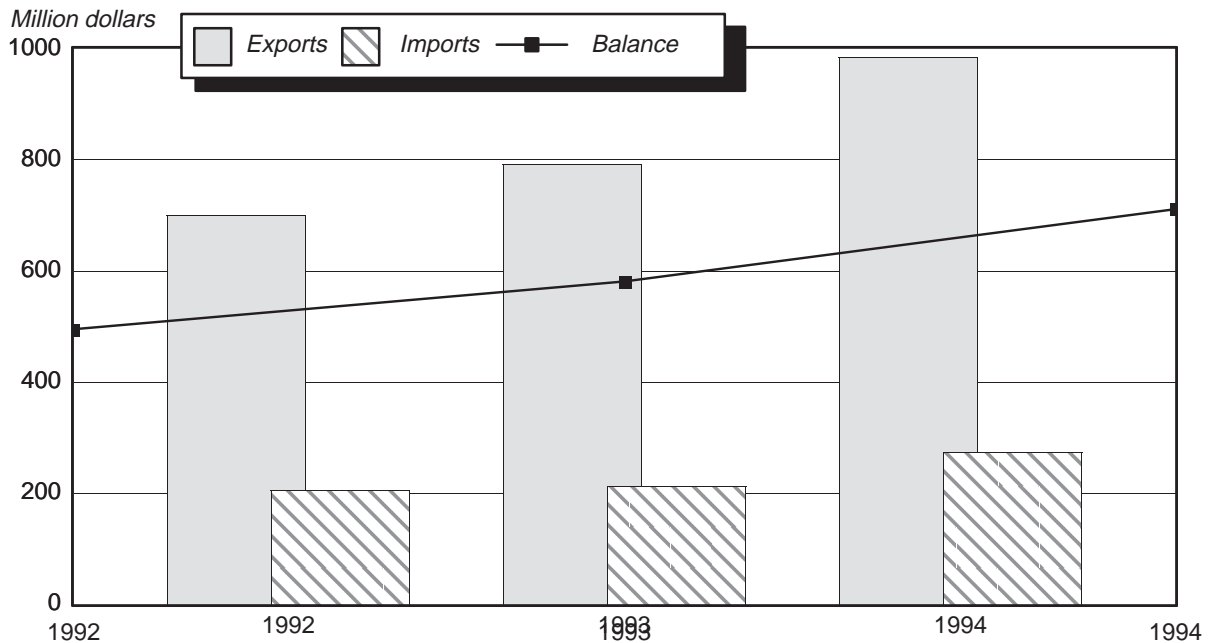
²⁴ U.S. Department of Commerce, BEA, "U.S. International Sales and Purchases of Private Services," *Survey of Current Business*, Nov. 1996, p. 70.

Figure 2-9
U.S. cross-border trade in services with Africa

Exports, imports, and trade balance, 1992-95



Affiliate transactions in services, 1992-94



Sources: U.S. Department of Commerce, Bureau of Economic Analysis (BEA), "U.S. International Sales and Purchases of Private Services," *Survey of Current Business*, Nov. 1996, pp. 90-109; *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Preliminary Results*, table III. F-17; and *Foreign Direct Investment in the United States: Preliminary 1994 Estimates*, table E-13.

Table 2-6
Total Africa and South Africa: U.S. cross-border service exports, 1992-95
(Million dollars)

Service	Africa Total				South Africa			
	1992	1993	1994	1995	1992	1993	1994	1995
Tourism	423	485	607	655	151	203	288	309
Passenger transportation	2	6	55	40	(¹)	1	14	3
Freight transportation	506	446	521	541	97	31	37	44
Royalties and license fees	91	114	103	143	64	82	73	112
Education	320	312	325	341	1	30	31	35
Insurance ²	6	5	-1	4	2	2	2	3
Telecommunications	81	81	95	96	16	18	17	27
Financial services	39	57	57	62	15	15	15	20
Professional	549	560	594	574	74	77	87	84
Advertising	3	2	1	1	1	1	1	1
Computer	46	47	54	35	16	12	27	26
Database	4	4	21	34	4	2	14	25
R&D	18	37	32	26	(¹)	1	(¹)	3
Management/Consulting/PR	79	95	105	95	3	5	5	4
Legal services	4	6	6	7	2	2	3	3
Construction-related services	210	182	156	201	28	36	14	6
Industrial engineering	8	9	5	(³)	(¹)	(¹)	(¹)	(¹)
Equipment-related services	66	62	109	43	14	11	16	12
Other professional services	110	116	106	(³)	6	6	7	5
Film rentals	27	17	15	17	24	15	14	15
Other ⁴	341	391	329	359	⁵ 19	48	48	54
Total⁶	2,386	2,474	2,700	⁵2,832	⁵463	522	626	706

¹ Less than \$500,000.

² Insurance exports are the difference between premiums received from foreign policyholders and claims collected by foreign policyholders. Exports are entered as a debit on the balance of payments when the claims collected by foreign policyholders exceed their premiums.

³ Data have been suppressed to avoid disclosure of individual company operations.

⁴ Includes intra-corporate transactions; i.e., U.S. parent firms' receipts from foreign-based affiliates, and U.S.-based affiliates' receipts from foreign parent firms.

⁵ Figure understates U.S. exports as certain data have been suppressed to avoid disclosure of individual company operations.

⁶ Due to rounding and suppression of individual company data, figures may not add to totals shown.

Source: U.S. Department of Commerce, BEA, "U.S. International Sales and Purchase of Private Services," *Survey of Current Business*, Nov. 1996, pp. 90-109.

Table 2-7
Total Africa and South Africa: U.S. cross-border service imports, 1992-95

(Million dollars)

Service	Africa Total				South Africa			
	1992	1993	1994	1995	1992	1993	1994	1995
Tourism	759	829	1029	1031	103	127	141	190
Passenger transportation	177	169	204	273	28	45	77	119
Freight transportation	472	259	321	196	27	10	16	22
Royalties and license fees	3	(1)	4	1	1	(1)	4	(1)
Education	12	13	18	18	1	1	(1)	2
Insurance ²	(1)	-2	1	5	-2	-1	(1)	-1
Telecommunications	181	189	210	220	(3)	(3)	(3)	30
Financial services	2	3	6	6	2	2	4	6
Professional	88	89	131	116	11	10	15	8
Advertising	(1)	2	2	2	(1)	1	1	(1)
Computer	(1)	(1)	2	1	(1)	(1)	(1)	1
Database	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
R&D	11	9	13	20	1	1	2	1
Management/Consulting/PR	15	13	22	14	2	(1)	1	(1)
Legal services	2	2	3	3	1	1	1	1
Construction-related services	8	15	28	27	(1)	(1)	(1)	(1)
Industrial engineering	0	0	(1)	(1)	0	0	0	0
Equipment-related services	2	1	1	3	0	0	0	0
Other professional services	48	47	59	47	7	5	9	5
Film rentals	(1)	0	1	0	0	0	1	0
Other ⁴	29	28	64	34	57	57	(3)	12
Total⁶	1,723	1,577	1,989	1,900	5178	5201	5258	388

¹ Less than \$500,000.

² Insurance imports are the difference between premiums paid to foreign insurers and claims received by U.S. policyholders. Imports are entered as a credit on the balance of payments when claims received by U.S. policyholders exceed premiums paid to foreign insurers.

³ Data have been suppressed to avoid disclosure of individual company operations.

⁴ Includes intra-corporate transactions; i.e., U.S. parent firms' payments to foreign-based affiliates, and U.S.-based affiliates' payments to foreign parent firms.

⁵ Figure understates U.S. imports as certain data have been suppressed to avoid disclosure of individual company operations.

⁶ Due to rounding and suppression of individual company data, figures may not add to totals shown.

Source: U.S. Department of Commerce, BEA, "U.S. International Sales and Purchase of Private Services," *Survey of Current Business*, Nov. 1996, pp. 90-109.

exports to South Africa. Collectively, tourism, passenger and freight transportation, and telecommunication services accounted for \$361 million (93 percent) of U.S. imports from South Africa.²⁵

Affiliate Transactions

As with cross-border trade, the United States also maintains a consistent surplus with Africa in affiliate transactions.²⁶ In 1994, majority-owned²⁷ African

²⁵ Ibid.

²⁶ Country-specific detail regarding sales by African affiliates of U.S. firms is limited to South Africa and Nigeria. Country-specific information pertaining to sales by U.S.-based affiliates of African firms is available only for South Africa. In both cases, the data extend only through 1994.

²⁷ Majority-owned foreign affiliates of U.S. firms are defined as foreign affiliates for which the combined direct

and indirect ownership interest of all U.S. parents exceeds 50 percent. Majority-owned U.S. affiliates of foreign firms are U.S.-based affiliates for which the combined direct and indirect ownership interest of all foreign parents exceeds 50 percent. For reporting purposes, the country in which U.S.-based affiliate's "ultimate beneficial holder" resides receives credit for sales to U.S. persons. An ultimate beneficial holder of a U.S. affiliate is the entity, proceeding up the affiliate's ownership chain, that is not owned more than 50 percent by another entity.

²⁷—Continued

and indirect ownership interest of all U.S. parents exceeds 50 percent. Majority-owned U.S. affiliates of foreign firms are U.S.-based affiliates for which the combined direct and indirect ownership interest of all foreign parents exceeds 50 percent. For reporting purposes, the country in which U.S.-based affiliate's "ultimate beneficial holder" resides receives credit for sales to U.S. persons. An ultimate beneficial holder of a U.S. affiliate is the entity, proceeding up the affiliate's ownership chain, that is not owned more than 50 percent by another entity.

²⁸ U.S. Department of Commerce, BEA, *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Preliminary Results*, table III-F-17.

²⁹ U.S. Department of Commerce, BEA, *Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies, Preliminary 1994 Estimates*, table E-13.

Table 2-8
Service transactions through U.S.-owned affiliates (sales) and African-owned affiliates (purchases), 1992-94

(Million dollars)

	Total Africa			South Africa			Nigeria		
	1992	1993	1994	1992	1993	1994	1992	1993	1994
U.S. Sales	700	793	985	35	35	84	149	230	126
U.S. Purchases	205	212	274	154	165	186	(1)	(1)	(1)
Balance	495	581	711	-119	-130	-102	(1)	(1)	(1)

¹ Not available.

Source: U.S. Department of Commerce, BEA, *U.S. Direct Investment Abroad*, (June 1994, June 1995, and Jan. 1996), tables III-F-17 and III-F-22; and *Foreign Direct Investment in the United States*, (June 1995, Sept. 1995, and July 1996), tables E-13 and E-15.

majority-owned U.S. affiliates of African companies. This resulted in an affiliate transactions surplus of \$711 million (figure 2-9). Sales by U.S.-owned affiliates in Africa grew rapidly, increasing by \$93 million (13 percent), and \$192 million (24 percent) in 1993 and 1994, respectively. The U.S. surplus in affiliate transactions grew by \$216 million (44 percent) during 1992-94.

Limited information regarding affiliate transactions is reported for South Africa and Nigeria³⁰ (table 2-8). According to available data, the United States ran a recorded deficit with South Africa, valued at \$102 million in 1994. U.S. purchases from affiliates of South African firms alone accounted for \$186 million or 68 percent of all purchases from affiliates originating in Africa in 1994. Affiliates of South African firms in the United States provide mainly business services and engineering/architecture services.³¹ In contrast, sales by South African affiliates of U.S. firms accounted for only \$84 million (9 percent) of total U.S. affiliate sales to Africa. U.S. firms in Nigeria accounted for \$126 million (13 percent) of total affiliate sales to Africa in 1994. Most U.S.-owned affiliates in Nigeria are likely in the petroleum sector.

Trade and Economic Integration

As in other regions of the world, many Sub-Saharan African countries are pursuing efforts to create sub-regional free-trade areas and customs unions to liberalize trade across a number of sectors over time. A sub-regional monetary union, the Communauté Financière Africaine (CFA) franc zone (see on the next page), has been operative since 1948.

³⁰ Information pertaining to sales by U.S. affiliates of Nigerian firms is not available.

³¹ BEA representative, telephone interview by USITC staff, Washington, DC, June 19, 1997.

Present World Trade Organization (WTO) rules permit such sub-regional trade agreements subject to certain requirements, notably that such agreements have as their primary purpose to facilitate trade among signatories and do not increase the general incidence of barriers to the trade of non-members.³²

In Sub-Saharan Africa, where domestic demand and market size tend to be small and incomes low, economic integration has the potential benefit of helping to create larger regional and sub-regional markets to support industrial development and enable businesses to achieve economies of scale—i.e., higher-output, more efficient and more globally competitive production.³³ However, information obtained during the course of this investigation suggests a number of factors may impede or deter sub-regional integration in Sub-Saharan Africa. Those factors include—

- many Sub-Saharan African countries possess similar resource endowments (a surplus of unskilled labor and a deficit of capital) and similar production structures (concentrated in primary agricultural or mineral products), whereas the trade gains from economic integration generally are greater when economies are complementary;

³² For a discussion of WTO actions on regionalism during 1996, see USITC, *The Year in Trade 1996: Operation of the Trade Agreements Program*, USITC publication 3024, April 1997, p. 25, and “Regionalism and the Multilateral Trading System,” found at the WTO website <http://www.wto.org.wto/develop/regional.htm>.

³³ These issues, as well as the overall merits of sub-regional economic integration and concerns about the diversion of trade away from nonmembers, have been examined in detail in the context of Latin America. See United Nations Economic Commission for Latin America and the Caribbean, *Open Regionalism in Latin America and the Caribbean: Economic Integration as a Contribution to Changing Production Patterns With Social Equity*, LC/L.808, Jan. 14, 1994. For additional views, see *The Economics of Preferential Trade Agreements*, ed. Jagdish Bhagwati and Arvind Panagariya (Washington, DC: American Enterprise Institute, 1996).

The CFA Franc Zone: Progress in West African Monetary Union

The Communauté Financière Africaine (African Financial Community, commonly referred to by its French acronym, CFA), is both a currency union and a monetary standard. The CFA zone was established in 1948 by France for former French colonies in West and Central Africa. Members are—Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Congo, Equatorial Guinea, Gabon, Mali, Niger, Senegal, and Togo.

CFA franc zone members share a common currency, the CFA franc, which is pegged to and guaranteed by the French franc. In exchange for France's guarantee of currency convertibility, CFA zone members surrender the right to print new money. The CFA franc is issued by two regional banks, the Central Bank of West African States (BCEAO) and the Bank of Central African States (BEAC).

During the 1970s and early 1980s, CFA zone members experienced faster growth and lower inflation than their comparable neighbors; subsequently, regional growth slowed as the French franc appreciated against the U.S. dollar (by extension, making the CFA franc appreciate against the dollar) and global prices for members' major exports declined. In 1994, the CFA franc was devalued from 50 to 100 CFA francs per French franc. Growth in the CFA franc zone countries resumed in 1995. In 1996, average real economic growth among the CFA franc zone countries was 5.2 percent, outpacing growth of Africa as a whole. The World Bank, in its 1997 *World Development Report*, assessed the CFA franc devaluation as "largely successful" in restoring macroeconomic order to the region.

The scheduled advent of a single European currency has prompted speculation about the future of the CFA's tie to France. The French Government reportedly has committed to maintain the current arrangement with CFA zone countries, with the CFA tied to the euro once the French franc ceases to exist.

Sources: IMF, *Exchange Arrangements and Exchange Restrictions*, pp. 130-133; IMF, *World Economic Outlook*, p. 29; U.S. Department of State telegram, "Investment Climate Statement: Côte d'Ivoire," prepared by U.S. Embassy Abidjan, message reference No. 06870, June 13, 1997; and World Bank, *World Development Report, 1997: The State in a Changing World* (Washington, DC, 1997), Box 3.5, p. 52.

- poor physical infrastructure currently characteristic of many Sub-Saharan African countries, notably in transportation and telecommunications networks, makes intra-regional trade expensive and time-consuming;
- domestic unrest and regional conflicts involving some Sub-Saharan African countries deter regional cooperation; and
- a small domestic tax base makes many Sub-Saharan countries reliant on customs duties for a significant portion of government revenue, thus making problematic the tariff cuts implicit in the move to freer trade;³⁴ the World Bank and the EU reportedly are developing a program to provide transitional compensatory aid to countries as they reduce tariffs.³⁵

³⁴ Information based on USITC staff interview with public and private sector officials in Mauritius, April 1997 and in Côte d'Ivoire and Ghana, June 1997, and Peter Worthington, "Africa Boards the Regional Integration Train," *Economic Research Note*, Morgan Guaranty Trust Company, July 19, 1996.

³⁵ Information based on USITC staff interview with World Bank official in Abidjan, Côte d'Ivoire, June 3, 1997.

This series of reports has documented the origins of several sub-regional trade and economic integration efforts in Sub-Saharan Africa.³⁶ Table 2-9 presents developments during 1996-97 in the Sub-Saharan African sub-regional integration organizations that had noteworthy activities during the period. Those organizations are the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (WAEMU), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), and the South African Customs Union (SACU). A total of 38 of the 48 Sub-Saharan African countries are members of at least one of these sub-regional organizations.

³⁶ The Cross-Border Initiative, the Common Market for Eastern and Southern Africa, the Southern African Customs Union, the Southern African Development Community, the West African Monetary and Economic Union, and the Permanent Tripartite Commission of the East African Community, see USITC, *U.S. Africa Trade Flows and Effects, Second Report*, USITC publication 3000, October 1996, pp. 5-1 to 5-25.

Table 2-9
Regional economic integration in Sub-Saharan Africa, 1996-97

Economic Community of West African States (ECOWAS)

Members:

Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

Origins:

Regional grouping dates to 1968; ECOWAS formally established in 1975.

Population:

207.9 million (1995), 53 percent of which in Nigeria.

GDP:

\$75.8 billion (1995), 35 percent of which from Nigeria.

Goals:

Staged introduction of free movement of goods and people within region; FTA by 2000; full economic and monetary union by 2000.

Status:

Internal market liberalization implemented: companies at least 25 percent owned by ECOWAS nationals are exempt from all tariffs; goods of at least 40 percent ECOWAS origin are exempt from tariffs. Joint sectoral programs linking energy and other economic sectors. Implementing program for free movement of nationals throughout ECOWAS region. Helped establishment of privately-owned regional commercial bank and other regional institutions. Acted as regional peacekeeper during 1990-93 civil war in Liberia and subsequent monitoring of ceasefire. In 1993, ECOWAS agreement was amended and regional peacekeeping added as an ECOWAS objective. Peacekeeping forces sent to Sierra Leone in 1997 following coup in that country.

Obstacles:

The overall pace of economic integration has been slow. Difficulties include the linguistic barrier separating the francophone countries with their traditional ties to France and the anglophone countries with their traditional ties to the United Kingdom. Multiplicity of currencies hinders regional economic cooperation; opposition to ideas of adopting either the Nigerian naira or the CFA franc as common currency. Ongoing concern about the adverse economic impact of declining tariff revenues as tariffs on intra-regional trade are reduced. Members' rival trading interests and participation in other regional organizations such as WAEMU (see below) have delayed progress. Economic constraints make it difficult for some members to meet their financial commitments to ECOWAS institutions; reports that nonpayment of contributions is impeding some ECOWAS programs. Slow implementation of laws to permit free movement between member states. Members have expressed concerns about political stability in Nigeria—the region's largest economy and only military-backed regime; concerns make other members reluctant to integrate further with Nigeria at this time.

1996-97 developments:

In 1996, members agreed to levy a surcharge of 0.05 percent on imports from nonmembers; revenue from this surcharge is to be distributed among members to compensate for the loss of tariff revenues on intra-regional trade.

Other sub-regional activity:

The West African Enterprise Network (WAEN) is a private sector organization formed in 1993 to improve the regional business climate and promote cross-border trade and investment. WAEN is jointly sponsored by USAID and the OECD/Club du Sahel, with additional bilateral support from the EU, France, Japan, and Canada. WAEN is the only private sector grouping of anglophone and francophone entrepreneurs in the region. Members meet quarterly; objectives of the meetings are to facilitate the execution of business transactions and to deepen business relations. First general assembly of the WAEN held in November 1996; in attendance were 225 WAEN members and associates, 60 representatives of European and North American private sector companies, and 45 representatives of multilateral, regional, and bilateral institutions.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1996-97

Economic Community of West African States (ECOWAS)—Continued

<i>U.S. trade with ECOWAS countries</i>					
	<i>(Million dollars)</i>				
	1992	1993	1994	1995	1996
U.S. exports	1,537	1,475	991	1,285	1,650
U.S. imports	5,570	5,909	5,167	5,481	6,662
U.S. trade balance	-4,033	-4,433	-4,177	-4,196	-5,012

Sources: World Bank, *World Development Report 1997*, tables 4 and 12.; U.S. Department of State telegram, "IMI: The West African Enterprise Network," message reference No. 14924, U.S. Embassy Abidjan, Dec. 13, 1996; EIU, *Country Profile: Ghana, 1996-97*, p. 38; and *The West African Enterprise Network: Final Report on the Second Regional Conference*, November 1995.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1996-97

West African Economic and Monetary Union (WAEMU or UEMOA)

Members:

Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal (former French colonies), and Togo (a former German protectorate, part of which became a French administrative unit before independence); Guinea-Bissau (a former Portuguese colony) became a member as of May 1997.

Origins:

Established in 1994 for former French colonies in West Africa.

Population:

62.3 million (1995), 22 percent of which in Côte d'Ivoire.

GDP:

\$23.1 billion (1995), 43 percent of which from Côte d'Ivoire.

Goals:

Customs union with free movement of goods, labor, and capital by end of 1997; common accounting system, investment code, and business legislation by the end of 1997; common external tariff by Jan. 1, 1998. Also seeks to harmonize members' macroeconomic performances and policies through multilateral cooperation.

Status:

Common currency, the CFA franc, is pegged to French franc and keeps countries' financial systems closely linked to that of France; other CFA franc zone countries (but not WAEMU members) are—Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, and Gabon. Promotes joint ventures to improve physical infrastructure on a regional basis. Established regional court of justice and regional audit office. Began transitional tariff regime for goods of WAEMU origin in July 1995 as part of efforts to create a customs union.

1996-97 developments:

In January 1996, members adopted plan to begin implementation of measures to create a regional customs union. Phased reductions of tariff and non-tariff barriers on intra-regional trade in products of regional origin commenced in July 1996; at the same time, members implemented customs surcharge on imports from outside the region to finance tariff revenue losses due to internal market liberalization. Beginning Jan. 1, 1997, WAEMU directives fixed monetary coordination criteria in the areas of budget deficits, debt, and public investment; a surveillance mechanism to monitor policy discipline to be in place by the year of 1997. Beginning June 1, 1997, duties on articles of regional origin being reduced in anticipation of FTA by Jan. 1, 1998. At second summit meeting in June 1997 members agreed to work to consolidate a stable macroeconomic environment conducive to private sector development.

U.S. trade with WAEMU countries

(Million dollars)

	1992	1993	1994	1995	1996
U.S. exports	246	257	229	346	298
U.S. imports	219	212	220	267	442
U.S. trade balance	27	44	9	79	-143

Sources: World Bank, *World Development Report 1997*, tables 4 and 12; U.S. Department of State telegram, "IMI: Impending Integration to the West African Economic and Monetary Union," message reference No. 08868, U.S. Embassy Abidjan, Aug. 6, 1997; U.S. Department of State telegram, "UEMOA Officials Brief on Economic Integration," message reference No. 216953, U.S. Department of State, Oct. 17, 1996; EIU, *Country Profile: Côte d'Ivoire and Mali, 1996-97*, pp. 71-73; and USITC staff interviews with public and private sector officials in Abidjan, Côte d'Ivoire, June 4-6, 1997.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1996-97

Common Market for Eastern and Southern Africa (COMESA)

Members:

Angola, Burundi, Comoros, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Sudan, Swaziland, Tanzania, Uganda, Zaire, Zambia, and Zimbabwe.

Origins:

Sub-regional grouping and Preferential Tariff Arrangement (PTA) dates to 1981. COMESA formally established in 1994 as successor to the PTA.

Population:

291.5 million (1995).

GDP:

\$55.6 billion (1995).

Goals:

PTA goal was to liberalize trade and encourage cooperation in industry, agriculture, transportation and communications. COMESA added the goals of a regional FTA by 2000, and the eventual goal of transformation into a regional customs union.

Status:

PTA reduced tariffs on products produced and traded within the region. A regional clearing house settles financial transactions among members. Customs procedures have been simplified and harmonized, and an automated system for customs management implemented to facilitate customs clearance. COMESA has made less headway towards goal of establishing an FTA. Members were to have reduced tariffs on intra-regional trade by 80 percent by October 1996; however, only Comoros, Eritrea, Sudan, Uganda and Zimbabwe have reached this target.

Obstacles:

Tariff revenue losses as a result of internal market liberalization are a major concern to all. Liberalization schedule has been postponed several times; nevertheless, members consistently late or fail to comply with liberalization timetable. Intraregional trade remains low, in part due to weak economies in region as well as to crossborder smuggling. COMESA activities have stagnated in recent years due to inadequate financial support for COMESA institutional structures and general shift of regional interest to SADC (see below). COMESA suffering crisis due to unclear nature of relationship and overlap with SADC. Economic integration also hampered by the proliferation of intra-regional conflicts: Sudan has no diplomatic relations with Ethiopia and Uganda, and has strained relations with Kenya; many in region join international condemnation of Sudan for supporting terrorism within its borders (the United States suspended its diplomatic presence in Sudan in 1996). Recent or ongoing civil unrest in Burundi, Rwanda, Somalia, Sudan, and Zaire has diverted attention away from trade and regional integration.

1996-97 developments:

Lesotho, Mozambique, and Namibia suspended active participation in COMESA in January 1997. Plans were drafted in January 1997 to re-invigorate COMESA; a proposal was made to formally divide certain regional economic and trade responsibilities between COMESA and SADC. In June 1997, to reduce its budget deficit, Tanzania halted the application of preferential COMESA tariffs for goods of Kenyan origin; this measure was widely viewed as setback to COMESA integration process. In July 1997, the President of the African Development Bank stated that COMESA did not include sufficient private sector participation; recommended that COMESA refocus its efforts to address this issue. EU announced in July 1997 its intention to provide \$2.3 million to help improve industrial standardization and harmonization among the COMESA partners.

Other sub-regional activity:

The East African Community (EAC), joining Kenya, Tanzania, and Uganda, dates to 1967 but was reconstituted as the Permanent Tripartite Commission of the East African Community in 1996. In March 1996, EAC announced intention to establish an East African Cooperation Secretariat to pursue regional integration.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1996-97

Common Market for Eastern and Southern Africa (COMESA)—Continued

U.S. trade with COMESA countries

(Million dollars)

	1992	1993	1994	1995	1996
U.S. exports	1,097	798	1,002	1,012	914
U.S. imports	3,008	2,879	2,966	3,109	3,560
U.S. trade balance	-1,911	-2,081	-1,964	-2,097	-2,645

Sources: World Bank, *World Development Report 1997*, tables 4 and 12.; U.S. Department of State telegram, "SADC Press Briefing on U.S. Trade Mission and Lusaka COMESA Meeting," message reference No. 02302, U.S. Embassy Gaborone, Apr. 28, 1997; COMESA, *COMESA At the Crossroads*, COMESA/CM/II/4, April 1996; USITC staff interview with public and private sector officials in Kenya and Mauritius, April 1997; and EIU, *Country Profile: Ethiopia, 1996-97*, pp. 39-40.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1996-97

Southern African Development Community (SADC)

Members:

Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa (became a member in 1994, following the election of a post-apartheid government), Swaziland, Tanzania, Zambia, and Zimbabwe. The Democratic Republic of Congo (Zaire) and the Seychelles became members in 1997. Formal invitations for membership extended to Kenya and Uganda in 1997.

Origins:

Sub-regional grouping dates to 1980 Southern African Development Coordination Conference (SADCC). SADC, the successor organization, was formally established in 1992.

Population:

132.5 million (1995), 31 percent of which in South Africa.

GDP:

\$170.3 billion (1995), 80 percent of which from South Africa.

Goals:

Original goal of SADCC was to reduce economic dependence on South Africa through the promotion of collective self-reliance, mutual interdependence, and equitable economic integration; primary focus on joint infrastructure building, rather than trade. SADC was established with a provision for the eventual inclusion of a post-apartheid South Africa. Other SADC goals are to promote mutually beneficial economic cooperation and integration, and to promote cross-border investment and trade as well as freer movement within the region of factors of production, goods, and services. SADC decided against merging with the PTA (see above) in 1993—origin of ongoing SADC-COMESA rivalry. September 1996 free trade protocol calls for gradual liberalization of intra-regional trade in goods and services, and creation of an FTA by 2000; only Mauritius and Tanzania have ratified this protocol as of August 1997. Other SADC plans include a regional development bank, a common currency, and a regional parliament.

Status:

Since the admission of South Africa as a member in 1994, SADC has eclipsed COMESA in promoting economic integration in the region. Regional rapid-deploying peacekeeping force established in 1994. Southern Africa power pool established in 1995 to allow members to benefit from lower-cost South African electricity. Several other programs in place to integrate physical and economic infrastructure, including energy (generation and distribution) and transportation (road and rail), on a regional basis. Several large-scale joint infrastructure projects under consideration. There has been some discussion of a possible merger or other formal coordination with COMESA; however, this would be difficult because Botswana and South Africa are not members of COMESA.

Obstacles:

South Africa's position of economic dominance within the regional grouping is source of concern for smaller SADC partners. Ongoing difficulties in devising a means to integrate overlapping SACU (see below) into the SADC free trade area.

1996-97 developments:

Enhanced relations with the United States beginning in 1996. In February 1996, SADC partners signed a memorandum of understanding (MOU) with the United States during a visit by former U.S. Secretary of Commerce Ron Brown to enhance U.S.-SADC economic, trade, and investment relations. As an outgrowth of the MOU, SADC conducted a reverse trade mission to the United States in April 1997 and participated in a Trade Protocol Forum in Washington, DC. In June 1997, SADC formally invited Kenya and Uganda to join the organization. In August 1997, SADC members agreed on a specific approach to regional tariff reduction; implementation is to follow at a later date. In October 1997, SADC members ratify a protocol providing for the free movement of people within the region.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1996-97

Southern African Development Community (SADC)—Continued

U.S. trade with SADC countries

(Million dollars)

	1992	1993	1994	1995	1996
U.S. exports	3,048	2,590	2,609	3,344	3,618
U.S. imports	4,556	4,543	4,713	5,086	5,674
U.S. trade balance	-1,507	-1,953	-2,105	-1,743	-2,055

Sources: World Bank, *World Development Report 1997*, tables 4 and 12.; U.S. Department of State telegrams, "SADC Press Briefing on U.S. Trade Mission and Lusaka COMESA Meeting," message reference No. 02302, U.S. Embassy Gaborone, Apr. 28, 1997; "SADC Trade Protocol Forum and Reverse Trade Mission," message reference No. 00832, U.S. Department of Commerce, Feb. 18, 1997; "SADC End-of-Year Briefing for Diplomats," message reference No. 03980, U.S. Embassy Windhoek, Dec. 4, 1996; "SADC Discusses Impacts of Proposed SA-EU Trade Agreements," message reference No. 01388, U.S. Embassy Mbabane, June 12, 1997; USITC staff interviews with public and private sector officials in Kenya, Mauritius, South Africa, and Zimbabwe, April 1997; and EIU, *Country Profile: Ethiopia, 1996-97*, pp. 39-40.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1996-97

South African Customs Union (SACU)

Members:

Botswana, Lesotho, Namibia, South Africa, and Swaziland.

Origins:

Created in 1910.

Population:

45.1 million (1995), 91 percent of which in South Africa.

GDP:

\$145.5 billion (1995), 93 percent of which from South Africa.

Goals:

Currently operating under terms of original agreement, which predates GATT/WTO rules. Members plan to re-negotiate the SACU treaty, in part to make it WTO-compliant.

Status:

A customs union. Key feature is a revenue-sharing formula that allocates fixed proportions of regional tariff revenues to members, with all residual funds going to South Africa; program is managed by South Africa. Members except Botswana peg their currencies to the South African rand (Common Monetary Area) and back their currencies with rand reserves; Botswana's currency value is set by a weighted basket of currencies backed by reserves held in U.S. dollars.

Obstacles:

Distribution of customs revenue is the source of friction among members. Plans to re-negotiate treaty underway since 1995; delays because smaller members are seeking more favorable terms under a new SACU agreement, and want SACU be renegotiated before they ratify the SADC free trade protocol (see above); for this reason, some SADC members want SACU to be dismantled. Smaller SACU members also concerned about erosion of their global trade position under a possible South Africa-EU free-trade agreement or possible entry of South Africa into Lomé Convention. Smaller members also concerned that tariff cuts under South Africa's WTO obligations could reduce SACU regional customs revenue.

1996-97 developments:

Zambia, which has a significant trade deficit with the SACU partners, requested improved market access for Zambian products; the SACU partners agreed in principle to such an arrangement in June 1997, subject to a decision as to whether the improved market access for Zambian products will be unilateral or reciprocal. In June 1997, SACU meets to discuss implications of a proposed EU-South Africa trade agreement.

U.S. trade with SACU countries

(Million dollars)

	1992	1993	1994	1995	1996
U.S. exports	2,470	2,195	2,162	2,764	3,112
U.S. imports	1,856	1,959	2,164	2,334	2,470
U.S. trade balance	614	236	-2	430	642

Sources: World Bank, World Development Report 1997, tables 4 and 12.; U.S. Department of State telegram, "SACU Discusses Impacts of Proposed SA-EU Trade Agreements," message reference No. 01388, U.S. Embassy Mbabane, June 12, 1997; USITC staff interviews with public and private sector officials in South Africa, April 1997; EIU, Country Profile: South Africa, 1996-97, pp. 41-42; and "Zambian Goods to Enter SACU," Comtex Scientific Corporation, NewsEdge/Web, June 16, 1997.

All of the Sub-Saharan African countries are members of the Organization of African Unity (OAU). The OAU was formed in 1963 with the goals of defending sovereignty and eliminating colonialism.³⁷ In 1980, the OAU announced its intention to create an African Economic Community (AEC), including the elimination of tariff and non-tariff barriers to trade, by the year 2000. Plans for the AEC were later rescheduled to be implemented, along with a continent-wide customs union, by 2004; plans also were made to establish an African Common Market with a central bank and single currency by 2031.³⁸ In recent years, the OAU has been plagued by budgetary problems as a result of members' accumulated arrears to the organization; in November 1995, 10 members were debarred from speaking or voting at any OAU meeting

³⁷ South Africa joined the OAU in 1994, following the election of a post-apartheid government in that country. Zaire suspended its membership in 1984, when the OAU seated a representative of the Western Sahara. All of the North African countries are also members except Morocco, which quit the OAU in 1985 following admission of the Western Sahara to the organization. EIU, Country Profile, Ethiopia, 1996-97, p. 38, and U.S. Department of State, "Fact Sheet: Organization of African Unity," Oct. 4, 1996, found at U.S. Department of State Website, <http://www.state.gov/www/regions/africa/fs-oua.html>.

³⁸ The Economist Intelligence Unit, *Country Profile, Ethiopia, 1996-97*, p. 38.

until arrangements had been made to clear their debts.³⁹

Investment in Sub-Saharan Africa

Global Investment Trends

Foreign investment flows to Sub-Saharan Africa have increased sharply during the 1990s. Net private capital flows into Sub-Saharan Africa rose from less than \$1 billion in 1990 to \$11.8 billion in 1996 (table 2-10).⁴⁰ (In contrast, as recently as 1992 and 1993, Sub-Saharan Africa experienced net foreign capital outflows.) This increase in private investment inflows began after 1993, mirroring the improved macroeconomic performance and broader application of market-oriented economic reforms in several Sub-Saharan African countries. In addition, the United Nations Conference on Trade and Development (UNCTAD)⁴¹ recently reported that the pattern of investment by sector in Sub-Saharan Africa has

³⁹ Ibid.

⁴⁰ World Bank, *Global Development Finance: Volume 1, 1997*, pp. 7 and 29.

⁴¹ UNCTAD is a permanent organ of the United Nations General Assembly. Founded in 1964, UNCTAD serves as a forum for deliberation on issues addressing international trade and cooperation.

Table 2-10
Sub-Saharan Africa: Global net private capital flows, 1990-96
(Billion dollars)

Country groups	1990	1991	1992	1993	1994	1995	1996 ¹
Net private capital flows to—							
All developing countries	44.4	56.9	90.6	157.1	161.3	184.2	243.8
Sub-Saharan Africa	0.3	0.8	-0.3	-0.5	5.2	9.1	11.8
Net foreign direct investment in—							
All developing countries	24.5	33.5	43.6	67.2	83.7	95.5	109.5
Sub-Saharan Africa	0.9	1.6	0.8	1.6	3.1	2.2	2.6
<i>Percent</i>							
Net foreign direct investment as a share of GNP							
All developing countries	0.6	0.8	1.0	1.5	1.8	1.8	1.9
Sub-Saharan Africa	0.3	0.6	0.3	0.6	1.2	0.8	0.8

¹ Preliminary.

Source: World Bank, *Global Development Finance: Volume 1, 1997*, pp. 7 and 29.

shifted in recent years.⁴² Before the 1990s, most foreign investment made in Sub-Saharan Africa was directed towards the production of primary commodities such as oil, minerals, and agricultural crops. Since 1990, a small but growing amount of foreign direct investment (FDI) is being made in manufacturing industries and in service industries such as the finance and insurance sectors.⁴³

Despite the sharp increase in investment entering Sub-Saharan Africa, overall foreign investment in the region remains low relative to Sub-Saharan Africa's total growth and development requirements. Net FDI as a share of economic output in Sub-Saharan Africa during the period 1990-96 has been consistently lower than investment as a share of output (as measured by gross national product, GNP) of all developing countries (table 2-10). According to UNCTAD estimates, all of the countries on the continent of Africa combined attracted just 5 percent of total new worldwide FDI in developing countries between 1991 and 1995 or 2 percent of global FDI during that period.⁴⁴

Many factors contribute to Sub-Saharan Africa's low share of global investment. According to UNCTAD, the high concentration of poverty and low-income countries in Sub-Saharan Africa is a key factor explaining the region's low levels of FDI. Also cited by UNCTAD are investment deterrents such as small markets, poor infrastructure, unskilled labor, and relatively high levels of foreign debt.⁴⁵ Also cited is a negative perception of the continent as a region of crises and conflicts.⁴⁶

A recent World Bank report, based on a survey of 3,685 companies in 69 countries including 1,288 firms in 22 Sub-Saharan African countries, provides new insight into problems viewed from the private sector perspective.⁴⁷ In that survey, business respondents ranked improper property rights practices (such as bribery and arbitrary government actions), high rates of both explicit and implicit taxes (often the result of pro-urban and pro-industrial-biased economic

growth strategies⁴⁸), and poor physical infrastructure as the three most significant obstacles to doing business in Sub-Saharan Africa. Inflation, crime, and access to financing ranked next in order of obstacles. Respondents ranked policy issues such as policy instability and the regulatory environment, as the two least significant obstacles to doing business in Sub-Saharan Africa.⁴⁹

The World Bank also explored the impact of the government institutional capability on the private sector, investment, and overall economic growth. That report found a positive correlation between export-based economic growth and government credibility, linked through investment flows:

When the private sector does not believe that the state will enforce the rules of the game, it responds in a variety of ways, all of which worsen economic performance. . . . Investment suffers because entrepreneurs choose not to commit resources in highly uncertain and volatile environments, especially if those resources will be difficult to recover should the business environment turn unfavorable. . . . Thus, trade and services may survive even in low-credibility environments, but manufacturing and, especially, high-technology projects are unlikely to flourish.⁵⁰

Global Foreign Direct Investment

Global FDI in Sub-Saharan Africa increased from \$2.2 billion in 1995 to \$2.6 billion in 1996.⁵¹ One factor contributing to Sub-Saharan Africa's low share of global investment is that foreign investment in the region remains concentrated in only a few countries and a few economic sectors. Of the \$2.6 billion FDI received by Sub-Saharan Africa in 1996, approximately \$600 million went to Nigeria (investment outside Nigeria's oil sector is "minimal"⁵² and "disappointingly low for a country with such perceived potential"⁵³), and over \$400 million to oil-exporting Angola (reports are that foreign investors in Angola are increasingly active despite delayed implementation of the 1994 Lusaka peace accord, which ended two decades of civil war, and the country's failure to meet a scheduled deadline to

⁴² United Nations Conference on Trade and Development (UNCTAD), "New Signs of Vitality in African Investment," press release, TAD/1843, May 5, 1997.

⁴³ Ibid.

⁴⁴ For the continent of Africa as a whole, the top recipients of global FDI were Nigeria, Egypt, and Morocco; Nigeria and Egypt accounted for more than one-half of African FDI. Ibid.

⁴⁵ UNCTAD, *World Investment Directory, Volume V, Africa, 1996*, cited in UN, *Africa Recovery*, July 1997, p. 12.

⁴⁶ Ibid.

⁴⁷ World Bank, *World Development Report, 1997*, Box 3.1, p. 42.

⁴⁸ Ibid., p.48.

⁴⁹ Ibid., Box 3.1, p. 42.

⁵⁰ Ibid., p. 36.

⁵¹ World Bank, *Global Development Finance 1997, Extracts*, from the World Bank Website found at <http://www.worldbank.org/html/extpb/gdf97eng/ssa.htm>.

⁵² Nigeria: No Relief in Sight," *Business Africa*, June 16-30, 1997, pp. 6-7.

⁵³ The Economist Intelligence Unit (EIU), *Nigeria: Country Profile, 1996-97*, p. 34.

install a national unity government⁵⁴). Other leading recipients of FDI in 1996 were Ghana, Gabon, Cameroon, and Zambia.⁵⁵ Ghana, Cameroon, and Zambia ranked as high-growth Sub-Saharan economies during 1996, each registering real GDP growth in excess of 5 percent.⁵⁶ Gabon is a petroleum producing and exporting economy, and receives significant investment in that sector.

The concentration of FDI also is reflected in commercial bank lending to Sub-Saharan Africa. South Africa's large and relatively more-developed economy has received significant investment flows since that country's post-apartheid national elections in April 1994. South Africa alone accounted for \$5.6 billion of the \$5.8 billion of commercial bank loans extended to Sub-Saharan Africa in 1996.⁵⁷ South Africa undertook virtually no foreign borrowing during the years of global economic sanctions against that country, allowing it to remain "under-borrowed" by international standards. Following the 1994 election, South Africa received investment-grade credit rating from Moody's, while other agencies rated the country sub-investment-grade but with a positive outlook. South Africa returned to international capital markets in December 1994; in 1995, as a sign of their confidence in the South African economy, foreign securities traders began to use the South African rand in the Eurobond market to create a fixed-income market in rand.⁵⁸

Global Foreign Portfolio Investment

Foreign portfolio investment (FPI) remains an important source of foreign investment for Sub-Saharan Africa. FPI includes bonds issued in international capital markets, country funds, depository receipts, and direct purchases of stocks by foreign investors (portfolio equity flows). There are 13 operative stock exchanges open to foreign investors in Sub-Saharan Africa. These include the Johannesburg Stock Exchange in South Africa, the 11th largest stock exchange in the world and the

⁵⁴ EIU, "Angola," *Business Africa*, March 16-31, 1997, p. 5.

⁵⁵ World Bank, *Global Development Finance 1997*, Extracts, from the World Bank Website found at <http://www.worldbank.org/html/extpb/gdf97eng/ssa.htm>.

⁵⁶ *Country Commercial Guides for Cameroon, Ghana, and Zambia*.

⁵⁷ World Bank, *Global Development Finance 1997*, Extracts, from the World Bank Website found at <http://www.worldbank.org/html/extpb/gdf97eng/ssa.htm>.

⁵⁸ EIU, *Country Profile: South Africa, 1996-97*, p. 38.

largest in Sub-Saharan Africa, as well as exchanges in Botswana, Côte d'Ivoire, Ghana, Kenya, Malawi, Mauritius, Namibia, Nigeria, Swaziland, Uganda, Zambia, and Zimbabwe. Tanzania's stock exchange is scheduled to open to foreign investors during 1997, and Mozambique is scheduled to open a stock exchange during 1998.⁵⁹

FPI in Sub-Saharan Africa, like FDI, is concentrated in just a few countries. South Africa accounted for more than one-half of the \$800 million in net bonds issued for Sub-Saharan Africa during 1996, and accounted for 89 percent of portfolio equity flows to the region during the year.⁶⁰ In June 1997, representatives from several Sub-Saharan countries (including Benin, Ethiopia, Madagascar, Mozambique, and Tanzania) participated in an UNCTAD-sponsored pilot seminar for private sector and government officials on ways to enhance FPI and improve the overall investment climate in developing countries.⁶¹ Among the findings from the seminar, a panel of experts concluded that most developing country stock markets are not yet able to handle large-scale foreign investment; nevertheless, the panel reported that increased standards of transparency and accountability in political and legal systems in developing countries are essential to attract foreign investment capital.⁶²

U.S. Investment in Sub-Saharan Africa

According to data from the USDOC, trends in U.S. investment (as measured by capital flows) in Sub-Saharan Africa have varied widely during the period 1992-96 (table 2-11). U.S. investment in Sub-Saharan Africa totaled \$540 million in 1996, down from nearly \$797 million in 1995 and below the period peak of \$865 million in 1993. The trend of U.S. investment in Sub-Saharan Africa during the period 1993-96 contrasts sharply with the \$164 million capital inflow (disinvestment) from

⁵⁹ U.S. Department of State telegram, "WTO Financial Services Negotiations," message reference No. 01682, prepared by U.S. Embassy Dar es Salaam, March 13, 1997; U.S. Department of State telegram, "UNCTAD: Pilot Seminar on Enhancing Foreign Investment Flows to LDCs," message reference No. 04332, prepared by U.S. Mission to the WTO, Geneva, June 30, 1997; and "African Markets Hot, New Favorite After Two Years of Spectacular Gains," *South China Morning Post*, Sept. 14, 1997, Comptex Scientific Corp., NewsEDGE/Web, Sept. 15, 1997.

⁶⁰ World Bank, *Global Development Finance 1997*, Extracts, from the World Bank Website found at <http://www.worldbank.org/html/extpb/gdf97eng/ssa.htm>.

⁶¹ U.S. Department of State telegram, "UNCTAD: Pilot Seminar on Enhancing Foreign Investment Flows to LDCs," message reference No. 04332, prepared by U.S. Mission to the WTO, Geneva, June 30, 1997.

⁶² *Ibid.*

Table 2-11
U.S. capital flows to world and to selected Sub-Saharan African countries, 1992-96
(Million dollars)

Countries	1992	1993	1994	1995	1996
World	42,647	77,247	68,272	85,115	85,560
Sub-Saharan Africa	-164	865	292	797	540
Nigeria	-271	187	41	290	263
South Africa	118	72	154	336	258
Zimbabwe	23	22	18	20	70
Ghana	-20	-10	25	25	49
Cameroon	-52	10	-25	23	30
Zaire	-8	24	8	21	12
Côte d'Ivoire	(D)	3	-6	2	11
Zambia	8	11	7	9	9
Botswana	24	-51	1	2	3
Senegal	-6	-2	5	1	1
Kenya	0	10	24	-1	-1
Niger	1	0	3	-4	-4
Sudan	-16	-13	-13	-48	-4
Liberia	3	-2	-1	33	-26
Gabon	-60	-55	-63	-18	-85

Note.—“D” indicates data suppressed to protect confidential business information.

Source: U.S. Department of Commerce.

Sub-Saharan Africa in 1992. On a global basis, Sub-Saharan Africa remains a relatively insignificant destination for new U.S. investment. In 1996, investment in Sub-Saharan Africa was 0.6 percent of U.S. worldwide investment, down from the 1992-96 period peak of 1.1 percent in 1993.

The leading destinations of new U.S. investment capital in the region during 1996 were Nigeria (\$263 million or 48.7 percent of the regional total) and South Africa (\$258 million or 47.8 percent of the total). The U.S. Embassy in Lagos, Nigeria reports that, despite the “sluggish economic performance, slow progress toward democratization, a forbidding image of lawlessness and corruption, and inferior infrastructure . . . U.S. companies large and small maintain successful operations and profitable trade

relationships in Nigeria.”⁶³ The United States is the leading source of foreign investment in South Africa (followed by Malaysia, the United Kingdom, Germany, and Japan⁶⁴). Other leading destinations for new U.S. investment during 1996 were the high-growth economies of Zimbabwe (investments valued at \$70 million or 13.0 percent of the regional total; Zimbabwe registered real GDP growth of 7.0 percent in 1996), Ghana (\$49 million or 9.0 percent of the total; 5.2 percent real GDP growth), and Cameroon (\$30 million or 5.5 percent of the total; 5.0 percent real GDP growth).⁶⁵

⁶³ *Country Commercial Guide for Nigeria*.

⁶⁴ EIU, “Foreign Investments in South Africa,” *Business Africa*, July 1-5, 1997, p. 9.

⁶⁵ Data from USDOC and *Country Commercial Guides for Cameroon, Ghana, and Zimbabwe*.

CHAPTER 3

Finance, Trade, and Development Issues Affecting U.S.-Sub-Saharan Africa Trade and Investment Opportunities

U.S. trade and investment relationships with countries in Sub-Saharan Africa are influenced by a number of factors. For WTO member countries, these factors include developments in the WTO and actions taken to implement national obligations under the Uruguay Round Agreements. U.S. export and investment relationships with the region are additionally affected by policies and programs of the Export-Import Bank of the United States (Eximbank), the U.S. Trade and Development agency (TDA), the Overseas Private Investment Corporation (OPIC), and various programs for agricultural exports operated by the U.S. Agency for International Development (USAID) and the U.S. Department of Agriculture (USDA).¹ The nature and level of U.S. imports from Sub-Saharan Africa are similarly influenced by actions in the U.S. Generalized System of Preferences (GSP).

Concessional lending through the International Development Association (IDA) of the World Bank and the African Development Fund (AfDF) of the African Development Bank (AfDB) play an important role in financing economic development programs in the region. The United States is a shareholder in both the World Bank and the AfDB, thus the United States Government has an important voice in these banks' operations, and U.S. companies are eligible to bid on their funded procurement opportunities. U.S. economic assistance programs to Sub-Saharan Africa are largely provided through grants and are administered by USAID.² USAID's development assistance programs in Sub-Saharan Africa promote development activities in health, education, agriculture, finance and business development, population, planning and democratic institutions. Other USAID-administered programs in Sub-Saharan

Africa include food assistance, disaster assistance, and balance of payments support through the Economic Support Fund.

This chapter summarizes (1) general developments in the World Trade Organization (WTO) and (2) developments in multilateral assistance to Sub-Saharan Africa. See table 3-1 for an overview of these activities. Specific actions taken by WTO members to meet obligations under the URA and specific developments in U.S. trade, economic and commercial policies affecting U.S. trade and investment with the region in major sectors are discussed in chapter 4.

Developments in the World Trade Organization

During 1996, the foremost development in the WTO relevant to Sub-Saharan Africa was the adoption of the Comprehensive and Integrated Plan of Action for Least-Developed Countries at the Singapore Ministerial Conference in December 1996. A major outcome is a High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development, to be held in Geneva on October 27-28, 1997, and its anticipated results. Other 1996 developments in the WTO included further delineation of WTO guidelines for technical assistance available to developing country members, especially the least-developed among them, including refinement of the definition of developing country status under WTO agreements, a 3-year technical assistance plan, and a manual on technical cooperation and training.

Developing Country Status under the WTO

Developing countries received special status under the General Agreement on Tariffs and Trade (GATT) and continue to receive special recognition in the

¹ U.S. agricultural export programs are discussed in chapter, 4.

² USDA administers Title I of Public Law 480 which provides sales of U.S. agricultural commodities using long-term concessional credit. This program is discussed in chapter 4.

Table 3-1
Summary of general developments in the World Trade Organization and in multilateral and U.S. trade and assistance for Sub-Saharan Africa, 1996-97

Institution/activity	1996 assistance levels for Sub-Saharan Africa	Other developments
World Trade Organization	In Sept. 1995, a WTO Trust Fund for Technical Cooperation was established with a \$2.5 million contribution by Norway to help provide technical assistance to poorer and least-developed countries, particularly in Africa. In Jan. 1997, the Netherlands contributed about \$2.3 million towards technical cooperation activities for developing countries and economies in transition.	Ministers adopted at the Dec. 1996 Singapore Ministerial Conference (SMC) the Comprehensive and Integrated Plan of Action for Least-Developed Countries to develop a comprehensive approach to multilateral measures assisting LLDCs. Ministers agreed to organize a meeting in 1997 for this purpose. Set for Oct. 27-28, 1997, the High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development is scheduled in Geneva to discuss an integrated approach by intergovernmental organizations such as the WTO, IMF, World Bank, and UN agencies, to providing assistance to least-developed countries.
Multilateral Economic and Trade Assistance		
The World Bank Group, International Development Association (IDA)/World Bank	Sectoral loan commitments made by the World Bank to countries in Sub-Saharan Africa in 1996 reached \$2.7 billion.	The 11th IDA replenishment was held in Tokyo, Japan in March 1996, covering 1997-99. The ITA-11 agreement is expected to raise \$22 billion in funds for lending, of which \$11 billion will be provided by contributing members.
The World Bank Group: Multilateral Investment Guarantee Agency (MIGA)	MIGA provides guarantees or coverage for seven projects in Sub-Saharan Africa, totaling approximately \$65 million.	MIGA issued its first guarantee contract to Mali and issued additional guarantees to Tanzania, Uganda, and South Africa.
The World Bank Group: International Finance Corporation (IFC)	The IFC made approximately \$190 million of loan and equity financing available for private sector projects in Sub-Saharan Africa in 1996.	In 1996, African Enterprise Fund projects totaled \$28 million, covering 42 projects in 18 countries.
African Development Bank Group (AfDB)	The AfDB approved \$245.8 million in new loans in 1996, \$10.9 million of which were for projects in Sub-Saharan Africa. During 1997 and 1998, the AfDB anticipates lending at a rate of \$2.5 billion per year, about one-half of which will be concessional.	The AfDB announced a new strategy to foster private sector growth, including projects to foster small and medium enterprise development, private sector financing, privatization, and infrastructure.
International Monetary Fund (IMF)	Total IMF loan disbursements to Sub-Saharan Africa decreased from \$1.8 billion in 1995 to \$586 million in 1996. The largest loan disbursement went to Côte d'Ivoire for \$138 million.	During 1996, the IMF approved new Enhanced Structural Adjustment Facility financing arrangements for Chad, Ghana, Kenya, Malawi, Mali, and Zambia.
Heavily Indebted Poor Countries debt relief (HIPC)	The HIPC debt initiative was agreed to by the IMF and the World Bank in late 1996. The initiative is designed to reduce the debt burden of heavily indebted poor countries to sustainable levels.	The HIPC debt relief initiative requires participation of all relevant creditors and donors to coordinate action throughout the debt relief process.

Table 3-1—Continued
Summary of general developments in the World Trade Organization and in multilateral and U.S. trade and assistance for Sub-Saharan Africa, 1996-97

Institution/activity	1996 assistance levels for Sub-Saharan Africa	Other developments
U.S. Economic and Trade Assistance		
Export-Import Bank of the United States	Eximbank support in the form of loans, guarantees, and medium-term insurance, to Sub-Saharan Africa increased from \$2.7 billion in 1995 to \$3.1 billion in 1996.	Zaire, Nigeria, and Ghana accounted for two-thirds of Eximbank's total exposure in Sub-Saharan Africa in 1996.
U.S. Trade and Development Agency (TDA)	TDA's obligations in Sub-Saharan Africa increased from \$3.9 million in 1995 to \$5.0 million in 1996.	Total 1996 obligations to the region amounted to \$6.3 million, including joint projects in Sub-Saharan Africa and Middle Eastern countries.
Overseas Private Investment Corporation (OPIC)	OPIC insured more than \$171 million in new U.S. investments in Sub-Saharan Africa in 1996, up by 54 percent from 1995. The finance program accounted for \$80 million, an increase of 26 percent over the 1995 level.	OPIC provides support to the New Africa Opportunity Fund, a privately managed equity fund, through debt guarantees. The fund operates in Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.
U.S. Generalized System of Preferences (GSP)	The GSP program expired on July 31, 1995 and was extended retroactively through May 31, 1997, by legislation signed by the President on August 20, 1996. GSP was later renewed through June 30, 1998.	On May 30, 1997, as part of a legislative package to renew the GSP program, President Clinton designated 1,783 articles eligible for GSP duty-free treatment when produced in the least-developed beneficiary developing countries, most of which are in Sub-Saharan Africa.
Development Assistance and other economic assistance programs	During 1996, USAID allocated \$632 million for programs in Sub-Saharan Africa, 25 percent less than in 1995.	USAID's various regional programs include emphasis of development of diverse initiatives, such as expanding Internet access in 20 countries; improving crisis prevention in the Horn of Africa; encouraging democracy, business, and infrastructure development in southern Africa, and promoting telecommunications development in southern Africa.

Source: Compiled by the staff of the U.S. International Trade Commission.

WTO.³ The Agreement Establishing the World Trade Organization ("WTO Agreement") recognizes in its preamble that "there is a need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth of international trade commensurate with the needs of their economic development." Under the URA, developing countries continue to receive special and differential treatment

³ The General Agreement that was established in 1947 was administered by the GATT Secretariat and has since been dubbed "GATT 1947" to distinguish it from the "GATT 1994" that is administered by the WTO Secretariat, following the establishment of the World Trade Organization in Jan. 1995 as the successor to the GATT. GATT 1947 and GATT 1994 contain essentially the same provisions and obligations, but with minor differences, and are legally distinct and separate.

in the form of longer transition periods to the full implementation of some obligations.⁴ The "least-developed" among the developing countries are further identified as requiring special attention, with lower levels of obligations and, at times, full exemptions from certain obligations.

Each GATT Contracting Party or WTO Member has traditionally decided whether it wished to be considered as a developing country.⁵ In May 1997

⁴ For further detail, see USITC, *U.S.-Africa Trade Flows*, USITC publication 2938, Jan. 1996, pp. 5-1 to 5-4.

⁵ Uruguay Round Agreements Act Statement of Administrative Action (SAA), p. 252; published in H. Doc. 103-316, 103d Cong., 2d Session, 1994 (hereafter *URAA documents*), p. 922. Other Contracting Parties, however, may contest this "self-elected" status, which may also vary by agreement.

the WTO set down a draft list of countries it regards as developing country Members for technical assistance purposes.⁶ The least-developed of the developing countries have always been recognized in the GATT and by the WTO as those specifically designated by the United Nations (UN).⁷ Thirty-three of the forty-eight least-developed countries are in Sub-Saharan Africa.⁸ (See table 3-2 for a list of Sub-Saharan African membership in GATT and WTO.)

Committee on Trade and Development

In 1997, developing countries accounted for approximately three-quarters of the over 130 WTO members. The Committee on Trade and Development (CTD) was created in 1964 under the GATT framework as a way to promote the trade of these “less developed countries” and to provide them with increased market access for their products.⁹ In 1979, the role of the CTD was strengthened to champion the needs of developing countries within the GATT and, in particular, to pay special attention to the problems of the least-developed countries.¹⁰

Net Food-Importing Countries

One major concern expressed by developing countries about implementation of the Uruguay Round Agreements was that higher world food prices might result as one consequence of the WTO Agreement on Agriculture and its aim to reduce production and export subsidies to agriculture. Another concern, expressed particularly by African countries, was that reduced margins of preference in their traditional markets such as the EU, could create additional burdens for their economies.¹¹

In response to the concern over higher food import prices, Ministers negotiated as part of the URA the *Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing*

⁶ WT/COMTD/W/26 p. 28, Annex 2.

⁷ Since 1971, the UN Economic and Social Council (ECOSOC) has designated least-developed countries on the basis of per capita income as well as more recently by a number of additional socioeconomic indicators. At the 1996 review, the UN identified 48 least-developed countries. Of those 48 countries, 29 are WTO members, 4 are in various stages of accession to the WTO, and 15 are not WTO members.

⁸ See footnote 8 in chapter 1, for a discussion of the terms “LDC” and “LLDC”.

⁹ GATT, *Analytical Index - Guide to GATT Law and Practice*, Geneva, 1995, pp. 1039-1040, 1045.

¹⁰ GATT, *GATT Activities 1979*, Geneva, 1979, p. 40.

¹¹ WTO, “Africa’s trade is top WTO priority,” *Focus*, No. 4, July 1995, p. 5.

Countries. This decision aims to ensure that trade in agriculture under the WTO Agriculture Agreement does not adversely affect the availability of food aid to these countries. The decision is directed toward helping not only the least-developed countries, which are automatically considered net food importers, but also developing country WTO Members that are designated as net food importers.¹²

WTO Technical Cooperation Activities

In a March 1997 review of its work, the CTD considered that it was too early to assess how the implementation of Uruguay Round provisions is affecting developing country Members, given the broad scope and complexity of the concepts and principles embedded in the multilateral trade rules. Although the CTD found that progress in general was being made toward implementing these preferential provisions during the initial 2 years of the WTO, it also found that relatively little use was being made of them. One possible cause was the need for action on the part of developing country Members to set in motion many of the special provisions. Thus, the CTD emphasized that a future goal will be improvement of the flow of information to developing and least-developed country Members regarding the actions they must take to trigger available benefits.¹³

Guidelines for WTO Technical Cooperation

The CTD is responsible for providing and reviewing guidelines for technical cooperation activities relating to developing country Members. In October 1996, the CTD adopted “Guidelines for WTO Technical Cooperation,” setting out objectives and principles as well as operational directives regarding WTO technical cooperation.¹⁴ Key principles include the WTO’s desire to assist in the full integration of the LDCs into the multilateral trading system; to strengthen institutional and human capacities

¹² In addition to the least-developed WTO Members, these countries include Barbados, Côte d’Ivoire, the Dominican Republic, Egypt, Honduras, Jamaica, Kenya, Mauritius, Morocco, Peru, Senegal, Sri Lanka, Trinidad and Tobago, Tunisia, and Venezuela.

¹³ WTO, Committee for Trade and Development, “Update of work carried out by the Committee on Trade and Development,” WT/COMTD/W/24, Mar. 14, 1997, p. 4.

¹⁴ WTO, Committee for Trade and Development, “Guidelines for WTO Technical Cooperation,” WT/COMTD/8, Oct. 16, 1996.

Table 3-2
Sub-Saharan Africa: Membership in the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO) and their accession dates

	GATT	WTO
Angola	Apr. 08, 1994	Dec. 01, 1996
Benin	Sep. 12, 1990	Feb. 22, 1996
Botswana	Aug. 28, 1987	May 31, 1995
Burkina Faso	May 03, 1963	Jun. 03, 1995
Burundi	Mar. 13, 1965	Jul. 23, 1995
Cameroon	May 03, 1963	Dec. 13, 1995
Cape Verde		
Central African Republic	Mar. 03, 1963	May 31, 1995
Chad	Jul. 12, 1963	Oct. 19, 1996
Comoros		
Congo	May 03, 1963	Mar. 27, 1997
Côte d'Ivoire	Dec. 31, 1963	Jan. 01, 1995
Djibouti	Dec. 16, 1994	Jan. 01, 1995
Equatorial Guinea		
Eritrea		
Ethiopia		
Gabon	May 03, 1963	Jan. 01, 1995
The Gambia	Feb. 22, 1965	Oct. 23, 1996
Ghana	Oct. 17, 1957	Jan. 01, 1995
Guinea	Dec. 08, 1994	Oct. 25, 1995
Guinea-Bissau	Mar. 17, 1994	May 31, 1995
Kenya	Feb. 05, 1964	Jan. 01, 1995
Lesotho	Jan. 08, 1963	May 31, 1995
Liberia		
Madagascar	Sep. 30, 1963	Nov. 17, 1995
Malawi	Aug. 28, 1964	May 31, 1995
Mali	Jan. 11, 1993	May 31, 1995
Mauritania	Sep. 30, 1963	May 31, 1995
Mauritius	Sep. 02, 1970	Jan. 01, 1995
Mozambique	Jul. 27, 1992	Aug. 26, 1995
Namibia	Sep. 15, 1992	Jan. 01, 1995
Niger	Dec. 31, 1963	Dec. 13, 1996
Nigeria	Nov. 18, 1960	Jan. 01, 1995
Rwanda	Jan. 01, 1966	May 22, 1996
São Tomè and Príncipe		
Senegal	Sep. 27, 1963	Jan. 01, 1995
Seychelles		*
Sierra Leone	May 19, 1961	Jul. 23, 1995
Somalia		
South Africa	Jun. 13, 1948	Jan. 01, 1995
Sudan		*
Swaziland	Feb. 08, 1993	Jan. 01, 1995
Tanzania	Dec. 09, 1961	Jan. 01, 1995
Togo	Mar. 20, 1964	May 31, 1995
Uganda	Oct. 23, 1962	Jan. 01, 1995
Zaire	Sep. 11, 1971	Jan. 01, 1997
Zambia	Feb. 10, 1982	Jan. 01, 1995
Zimbabwe		Mar. 03, 1995

* WTO Working Party on Accession in progress.

in their public sectors; to have such technical assistance be demand-driven and adapted to the needs of recipients; and to “keep a geographical balance, while giving priority to least-developed countries, in particular African countries, and to low-income countries.” The WTO Secretariat is to administer these principles in accordance with direction given by the CTD. Key elements of how the CTD intends to carry out the guidelines have been incorporated into the development of a 3-year plan and a manual for technical assistance.

Three-Year Plan and Manual on Technical Cooperation and Training

In 1997, the WTO introduced a 3-year plan for technical cooperation for the period 1997-1999, together with a “Manual on Technical Cooperation and Training.”¹⁵ An overview of the plan for 1997 shows over 148 activities carried out largely by the Technical Cooperation and Training Division (TCTD) which is the overall WTO organizer, coordinator of activities, and principal executing unit. The draft manual lists the following technical cooperation activities designed specifically for LLDCs.¹⁶

- **The Integrated Technical Assistance Programme for Selected Least-Developed and Other African Countries.** The Integrated Programme, adopted in May 1996, is administered jointly by the WTO, United Nations Conference on Trade and Development (UNCTAD), and International Trade Centre (ITC). Beginning with a WTO research effort aimed at exploring the implications of the URA for African countries,¹⁷ the Integrated Programme took form as part of a WTO “Africa Initiative”¹⁸ following a January 1996 visit by the heads of the WTO and ITC to several African countries. The program’s objective is to enhance the development prospects and competitiveness of African and least-developed countries through increased participation in international trade. It covers eight African

¹⁵ WTO, Committee for Trade and Development, “WTO Programme for Technical Cooperation - Three-Year Plan (1997-1999),” WT/COMTD/W/25, May 12, 1997; and WTO, Committee for Trade and Development, “Manual on Technical Cooperation and Training,” WT/COMTD/W/26, May 12, 1997.

¹⁶ WTO, Committee for Trade and Development, “Manual on Technical Cooperation and Training,” WT/COMTD/W/26, May 12, 1997, p. 11, Box 3.

¹⁷ WTO, “Africa’s trade is top WTO priority,” *Focus*, No. 4, July 1995, p. 5.

¹⁸ For further detail, see USITC, *U.S.-Africa Trade Flows*, pub. 3000, Oct. 1996, pp. 3-9.

countries (Benin, Burkina Faso, Côte d’Ivoire, Ghana, Kenya, Tanzania, Tunisia, and Uganda) and is expected to be extended to other countries.¹⁹

- **LLDC Preparatory Meeting for the WTO Singapore Ministerial Conference.** Ministers from 29 LLDCs met in November 1996 in Geneva to prepare for the upcoming Singapore Ministerial Conference (SMC) in December 1996. With financial help from Norway, Korea, and the Czech Republic, these LLDCs were able to make advance preparations and to call on the SMC to ensure that the special WTO provisions set out in the URA in favor of LLDCs would be fully and expeditiously implemented. These ministers also urged that WTO technical assistance be furnished to help their countries fulfill their implementation obligations and to strengthen their negotiating positions, and called for further market-access measures, particularly for duty-free and quota-free treatment for their countries’ products.²⁰

- **Comprehensive and Integrated Plan of Action for Least-Developed Countries.** The December 1996 Singapore Ministerial WTO Action Plan for LLDCs aims at providing a comprehensive approach for measures taken in favor of these countries. The action plan focuses on three main elements — (1) implementation of the URA Decision on Measures in Favor of Least-Developed Countries, (2) human and institutional capacity-building in LLDCs, and (3) possible improvements in market access.²¹

- **The High-Level Meeting on Integrated Initiatives for Least-Developed Countries’ Trade Development.** A ministerial meeting of least-developed countries is scheduled for October 27-28, 1997 in Geneva. One objective of this high-level meeting is to develop a common, integrated approach for assisting these countries to make more effective use of the trading system. A second objective is to provide an opportunity for more developed

¹⁹ WTO, *Annual Report 1996*, Geneva, 1996, p. 7.

²⁰ WTO, “Least-developed countries prepare for Singapore,” *Focus*, No. 13, Oct.-Nov. 1996, pp. 1, 20; and WTO, “Meeting of ministers from 29 least-developed countries in WTO in preparation for Singapore,” PRESS/60, Nov. 15, 1996. For further detail, see the “Timeline of WTO Technical Assistance Developments,” Nov. 1996, later in this section.

²¹ For further detail, see later in this chapter the section on the high-level meeting on least-developed countries and its market-access initiatives.

countries to improve least-developed countries' access to their markets.²²

The draft manual describes a number of channels through which the WTO can disseminate information: general seminars, specialized seminars and workshops on specific issues, technical missions, training courses (typically regular trade policy courses held in Geneva or short courses adapted for particular countries or officials), practical training programs, information (technology-based) training material, supply of tariff and trade data, supply of WTO documentation, and participation in technical assistance activities organized by other institutions.²³

Technical Assistance to Sub-Saharan Countries

The extent to which Sub-Saharan countries perceive that the URA has affected their economies and the amount of trade-related technical assistance they receive from the WTO varies widely. Following are experiences reported to the USITC by a number of U.S. embassies abroad representing a cross-section of Sub-Saharan countries. Responses given by these posts indicated that resource constraints in a number of these countries limited their host government's active participation in the Uruguay Round, a point recognized under the rules of the negotiations that exempted the LLDCs from having to make concessions. In the WTO, LLDCs are automatically considered net food-importing countries, entitled to the benefits extended to these food importers under the URA.

Cameroon

Cameroon was a GATT Contracting Party from May 3, 1963, and has been a WTO member since

²² WTO website, <http://www.wto.org/about/devell.htm>, pp. 2-3 at Aug. 6, 1997; and WTO, Committee for Trade and Development, "Update on Preparations for the High-Level Meeting on Least-Developed Countries," WT/COMTD/W/28/Add.1, July 23, 1997; found at WTO website, <http://www.wto.org/new/ctd.htm>, pp. 2-11 at July 30, 1997.

²³ The WTO maintains contact and coordinates with other international organizations that also provide technical cooperation and training—in particular the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), and the World Bank—to identify complementarities and avoid duplication when executing joint projects. In addition, the WTO has established contacts concerning trade-related technical cooperation in relevant fields with other organizations such as the World Intellectual Property Organization (WIPO), World Customs Organization (WCO), Food and Agriculture Organization (FAO), and others.

December 13, 1995. It is neither an LLDC nor does it qualify as a WTO net food-importing country. Cameroon participated actively in the Uruguay Round, particularly in areas regarding market access, customs duties, and nontariff measures; agriculture, tropical, and natural resource products; commercial investment promotion; and intellectual property rights. Cameroon has not yet received any technical assistance from the WTO; however, the Government is interested in a recent UNCTAD proposal to establish a regional "train for trade" center at the University of Douala, Cameroon. The regional center would focus on negotiations, marketing, and similar matters, with an emphasis on human resources training to heighten awareness in both the Government and the private sector regarding how the WTO and its impact on world trade could benefit Cameroon and the region.

In March 1997, the Cameroon Government set up an interministerial "national technical committee" to monitor developments arising from the URA. The committee is to meet semi-annually and report to the Minister for Industrial and Commercial Development. Following organizational matters at its first meeting in June 1997, the committee will analyze and evaluate the impact of the URA on different sectors of the economy, identify problems in implementing the accords—both at a national and an international level—and finally define a national policy for the various sectors on how to carry out the URA that apply to Cameroon.²⁴

Côte d'Ivoire

Côte d'Ivoire was a GATT Contracting Party from December 31, 1963, and has been a WTO member since January 1, 1995. Côte d'Ivoire is not an LLDC but it does qualify as a WTO net food-importing country. In the Uruguay Round, Côte d'Ivoire bound its tariffs for most agricultural products at a ceiling rate of 15 percent with the exception of a few products bound at maximum rates of 75 percent in 1995, scheduled to decline to a maximum of 64 percent by 2004; nine industrial products were bound at rates ranging from 5 to 15 percent.²⁵ Some Ivorian officials have expressed the concern that the country's Uruguay Round tariff commitments for a few products, namely sugar and jute, are now too low; other individuals interviewed by USITC staff cited the relatively low global competitiveness of Ivorian products as the problem.²⁶ Côte d'Ivoire made an

²⁴ U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 003491, prepared by U.S. Embassy, Yaounde, June 4, 1997.

²⁵ WTO, *Trade Policy Review: Côte d'Ivoire*.

²⁶ USITC staff interview with public sector official, Abidjan, Côte d'Ivoire, June 4, 1997.

Uruguay Round offer under the General Agreement on Trade in Services concerning certain professional services and other business services, certain construction and engineering services, certain tourism-related services, and a few transport services.²⁷ One individual stated that, because of the focus on basic commodities, the Uruguay Round had only a marginal impact on Côte d'Ivoire; instead, macroeconomic reforms implemented with the assistance of the IMF and World Bank were of more immediate relevance.²⁸ However, there was general concern about the effects of the Uruguay Round tariff reductions on the erosion of Lomé Convention and GSP trade preferences. One recent study estimated that if Sub-Saharan Africa's trade preferences were fully eroded (i.e., if MFN tariffs were reduced to the level of Lomé Convention and GSP tariff preferences), then Côte d'Ivoire stands to lose some \$57 million in export earnings.²⁹

Ethiopia

Ethiopia was not a GATT Contracting Party and is not a WTO member, although membership is under consideration. It is among the UN designated least-developed countries and would therefore be considered, by definition, a net food-importing country if it were a WTO member. It has not received any WTO-related technical assistance.³⁰

Gabon

Gabon was a GATT contracting party from May 3, 1963, and has been a WTO member since January 1, 1995. It is neither an LLDC nor does it qualify as a WTO net food-importing country. Gabonese officials report little impact on their economy as a result of its WTO membership. They have expressed concerns, however, about the impact of the WTO on its small- and medium-size enterprises. The cost of production in Gabon is very high compared to neighboring countries, and Gabonese firms tend to be small and lack technology, technical expertise, and have limited markets. Regarding technical assistance, two participants from the government were invited to a WTO regional seminar in Dakar, Senegal, in 1996.³¹

²⁷ WTO, *Trade Policy Review: Côte d'Ivoire*.

²⁸ USITC staff interview with banking official, Abidjan, Côte d'Ivoire, June 6, 1997.

²⁹ Amjadi, Reincke, and Yeats, "Did External Barriers Cause the Marginalization of Sub-Saharan Africa in World Trade?" p. 24.

³⁰ U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 004880, prepared by U.S. Embassy, Addis Ababa, June 19, 1997.

³¹ U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 001930, prepared by U.S. Embassy, Libreville, June 12, 1997.

The Gambia

The Gambia was a GATT Contracting Party from May 3, 1963, and has been a WTO member since October 23, 1996. The Gambia participated in the Uruguay Round, although not actively because of its LLDC status. In May 1997, UNCTAD agreed to provide technical assistance to The Gambia in trade, investment, and enterprise development, carried out through the broader framework of an Integrated Country Program (ICP) for The Gambia. This ICP will encompass technical cooperation activities concerning national trade and investment policy; preparing and implementing an investment code; restructuring of the Government's business advisory services; and supporting women entrepreneurs in The Gambia. Following a needs assessment and project planning study, consultations with donors will be held to mobilize the funds necessary for UNCTAD, the UN Development Program, and the Government of The Gambia to carry out the ICP.³²

Madagascar

Madagascar was a GATT contracting party from September 30, 1963, and has been a WTO member since November 17, 1995. Madagascar participated in the Uruguay Round but, as an LLDC that is one of the world's 10 poorest countries, did not have the resources to participate actively. The WTO/UNCTAD International Trade Centre sent several experts in June 1997 to Madagascar to analyze the effect of the Uruguay Round on trade and investment there.³³

Mozambique

Mozambique was a GATT Contracting Party from July 27, 1992, and has been a WTO member since August 26, 1995. Mozambican officials report little impact on their economy resulting from its WTO membership, although membership has marginally encouraged the Government to reform its economy in line with WTO and donor country recommendations. Mozambique has participated in WTO meetings, although not actively due to its resource constraints as an LLDC. Nonetheless, officials did attend the ministerial meeting in November 1996 in Geneva for LLDCs and the December 1996 Singapore Ministerial Conference. Mozambique has not received any technical assistance through the WTO Africa Initiative or WTO/UNCTAD ITC, although it would likely be open to future assistance as its economy recovers

³² U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 001373, prepared by U.S. Embassy, Banjul, June 12, 1997.

³³ U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 003534, prepared by U.S. Embassy, Antananarivo, June 23, 1997.

from war, undertakes economic stabilization measures, and reorients itself from a command to an open market economy.³⁴

Niger

Niger was a GATT Contracting Party from December 31, 1963, and has been a WTO member since December 13, 1996. Niger's officials report little impact resulting from its WTO membership. As an LLDC, Niger's involvement in WTO affairs is limited by resource constraints. In April 1997, the government set up a multidisciplinary committee under the Minister of Commerce to coordinate national policy towards WTO initiatives; ensure that national trade legislation conforms to WTO provisions; and to evaluate national implementation of the URA. Niger has not received technical assistance from the WTO.³⁵

Nigeria

Nigeria was a GATT Contracting Party from November 18, 1960, and has been a WTO member since January 1, 1995. It is not an LLDC and does not qualify as a WTO net food-importing country. Nigeria participated, but was not active, in the Uruguay Round. Nigerian officials have expressed concerns that the URA favor the developed countries more than the developing countries and, in general, lack confidence about Nigeria's ability to compete under a more liberalized trade regime. This latter concern centers around the high cost of production in Nigeria; inefficient, costly port facilities; quality control problems for local manufacturers that are likely to make them uncompetitive; lack of exporting experience; limited exportable surplus due to a weak production base; and proliferation of rival sub-regional economic groups with overlapping and competing mandates.

WTO developments have affected aspects of Nigeria's economy such as manufacturing and intellectual property rights. In manufacturing, the 10-year phaseout of the Multifiber Arrangement (MFA) is likely to benefit Nigeria's trade in the long run, although in the short term, domestic textile manufacturers want compensation from the government for "unfavorable" foreign competition due to textile liberalization such as the 1997 lifting of

³⁴ U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 002753, prepared by U.S. Embassy, Maputo, June 24, 1997.

³⁵ U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 002963, prepared by U.S. Embassy, Niamey, June 23, 1997.

Nigeria's ban on textile imports and its replacement with a 45 percent duty.³⁶ Nigeria removed the import ban on furniture and fertilizer in 1997 as well. For intellectual property rights, Nigeria is party to most of the major international intellectual property rights (IPR) organizations and agreements, including the World Intellectual Property Organization (WIPO), and takes an active interest in IPR issues. Nonetheless, enforcement of existing laws remains weak particularly regarding patents and trademarks such as production and sale of pirated tapes, videos, computer software, and books. There has been, however, some recent improvement in copyright law and antipiracy law enforcement. Nigeria has not received any WTO technical assistance but has received much technical assistance from WIPO. WIPO trains Nigerian copyright officials at Nigeria's Copyright Commission and co-sponsors several seminars in Nigeria with the Commission.³⁷

Rwanda

Rwanda was a GATT Contracting Party from January 1, 1966, and has been a WTO member since May 22, 1996. Rwanda did not participate in the Uruguay Round and has received no WTO assistance, although it receives much technical assistance from bilateral and multilateral donors to help it with aspects of its emergency relief efforts following civil war and genocide.³⁸

Senegal

Senegal was a GATT Contracting Party from September 27, 1963, and has been a WTO member since January 1, 1995. It is not an LLDC, but it does qualify as a WTO net food-importing country. Senegal participated actively in the Uruguay Round, particularly in areas regarding trade liberalization and financial services. Senegal's concerns with the URA include difficulties in gaining access to information technology; narrowing of preferential margins within bilateral trade arrangements as a result of lower

³⁶ They are seeking tariff-free import of raw material inputs and machinery; establishment of an antidumping committee to check the import and proliferation of inferior textiles; reduction of taxes on member firms belonging to the Nigerian Textile Manufacturers Association; favorable loan rates to replace obsolete machinery; as well as other measures that industry observers believe would translate into protectionism for local manufacturers.

³⁷ U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 005356, prepared by U.S. Embassy, Lagos, June 12, 1997.

³⁸ U.S. Department of State telegram, "USITC Study on U.S.-Africa Trade: Request for Assistance," message reference No. 002652, prepared by U.S. Embassy, Kigali, May 27, 1997.

nonpreferential (most-favored-nation or MFN) tariffs negotiated during the URA; and postponement of the Lomé Convention. However, Senegal recognizes that it has also gained new market opportunities and increased export volumes following the application of WTO rules and disciplines. Senegal has not received any WTO technical assistance.³⁹

Tanzania

Tanzania was a GATT Contracting Party from December 9, 1961, and has been a WTO member since January 1, 1995. Tanzania participated actively in the Uruguay Round, although as an LLDC it was not required to make concessions, but has seen little impact result from its WTO membership. While accepting the multilateral agreements of the URA, Tanzania declined agreements that could be categorized as bilateral or regional—such as the plurilateral agreements of the Uruguay Round—since these only concerned a section of WTO members. The WTO/UNCTAD ITC currently provides Tanzania with assistance aimed at providing export development and promotion. Over the past 3 years, the WTO has also provided technical assistance to establish a streamlined export/import documentation procedure.⁴⁰

Zimbabwe

Zimbabwe was a GATT Contracting Party from July 11, 1948, and has been a WTO member since March 3, 1995. It is not an LLDC and does not qualify as a WTO net food-importing country. Zimbabwe participated actively in the Round, particularly in areas regarding market access, notably tropical products. Zimbabwe monitored — but did not participate in — many of the “new” WTO areas such as services, intellectual property rights, and institutional rulemaking, due in part to lack of understanding of these issues. Zimbabwe participated in the WTO/UNCTAD “Coordinated Africa Program of Technical Assistance in Services (CAPTAS),” a program designed to increase both public and private awareness of strengths and weaknesses in the services sector of a country. The Government is planning to

³⁹ U.S. Department of State telegram, “USITC Study on U.S.-Africa Trade: Request for Assistance,” message reference No. 004620, prepared by U.S. Embassy, Dakar, June 19, 1997.

⁴⁰ U.S. Department of State telegram, “USITC Study on U.S.-Africa Trade: Request for Assistance,” message reference No. 003531, prepared by U.S. Embassy, Dar es Salaam, June 5, 1997.

request WTO assistance in realigning domestic legislation to conform with the URA.⁴¹

Singapore Ministerial Action Plan for the Least-Developed Countries

The Comprehensive and Integrated Plan of Action for Least-Developed Countries was adopted in December 1996 at the Singapore Ministerial Conference. Other multilateral agencies, including UNCTAD, the World Bank (IBRD), and the International Monetary Fund (IMF) have adopted similar initiatives. The WTO action plan foresees closer cooperation between the WTO and other multilateral agencies — such as those that are engaged in promoting growth in the LLDCs — through better coordination of national and international aid efforts, appropriate macroeconomic policies, and improved market access and supply-side measures.⁴² The action plan focuses on four specific areas of endeavor: (1) implementation of the URA Decision on Measures in Favour of Least-Developed Countries, (2) human and institutional capacity-building, (3) market access, and (4) other initiatives.⁴³

In the Singapore ministerial declaration, the ministers committed to address the marginalization of the LLDCs and certain developing countries, and also to continue work to improve coordination between the WTO and other agencies in providing technical assistance initiatives.⁴⁴ The ministers also recognized that the integration of developing countries into the multilateral trading system is important for these countries’ economic development with the differential and more favorable treatment afforded them under the WTO Agreement granted in this connection. The

⁴¹ U.S. Department of State telegram, “USITC Study on U.S.-Africa Trade: Request for Assistance,” message reference No. 005283, prepared by U.S. Embassy, Harare, June 24, 1997.

⁴² The WTO signed a cooperation agreement with the International Monetary Fund (IMF) in December 1996 and in April 1997 signed another with the World Bank (IBRD). These agreements (1) will help carry out the Marrakesh ministerial declaration on greater coherence in global economic policymaking; (2) call for improved exchange of information, such as databases, joint research and technical cooperation activities, and exchanges of reports and other documents; and (3) accord observer status to each other’s decisionmaking bodies. WTO, “WTO and World Bank sign cooperation agreement,” PRESS/72, Apr. 28, 1997.

⁴³ WTO, “Comprehensive and integrated WTO plan of action for the least-developed countries,” *Focus*, No. 15, Jan. 1997, pp. 11-12.

⁴⁴ WTO, “Singapore Ministerial Declaration,” Dec. 13, 1996, par. 5.

ministers agreed to improve the availability of technical assistance to assist these countries in efforts to meet the range and complexity of the new commitments they have undertaken, including notification and legislative requirements.⁴⁵ Finally, in adopting the plan of action, the ministers agreed to aim to improve the overall capacity of the least-developed countries to respond to the opportunities offered by the trading system initiatives.⁴⁶ In addition to the possibility of developed countries adopting positive measures under the plan of action, such as duty-free access on an “autonomous” basis — ministers agreed as part of the action plan to organize a meeting with UNCTAD and the ITC in 1997 to help develop an integrated approach to reach this goal. This high-level meeting is to include representatives of the LLDCs, multilateral financial institutions, and aid agencies, and is discussed below.

High-Level Meeting on Least-Developed Countries

In June 1997, preparations were discussed for a high-level meeting (HLM) on least-developed countries to consider an integrated approach toward assisting these countries in enhancing their trading opportunities. The “High-Level Meeting on Integrated Initiatives for Least-Developed Countries’ Trade Development” will be held October 27-28, 1997 with all 48 LLDCs invited as well as the intergovernmental organizations (IGOs) most involved in this area, i.e., the IMF, ITC, UNCTAD, UNDP, World Bank, and the WTO. Arrangements for the participation of nongovernmental organizations (NGOs) and business representatives to consider the role of the private sector were also considered during preparations.⁴⁷

In May 1997, each LLDC was invited to provide a comprehensive assessment of its needs for trade-related technical assistance and for human and institutional capacity building. To help in the self-assessment, the invitation included a checklist concerning trade-related technical cooperation that encompassed areas of trade policy, impediments to expanding LLDC trade, trade promotion efforts and support services, and communication and other

⁴⁵ Ibid., par. 13.

⁴⁶ WTO, “Singapore Ministerial Declaration,” Dec. 13, 1996, par. 14.

⁴⁷ WTO, Committee for Trade and Development, “Preparations for the High-Level Meeting on Least-Developed Countries,” WT/COMTD/W/28, June 12, 1997, p. 1.

technological assistance.⁴⁸ By July 23, 1997, the following 20 LLDCs had indicated that they were preparing a needs assessment for the meeting: Bangladesh, Benin, Cape Verde, Central African Republic, Chad, Comoros, Djibouti, Ethiopia, The Gambia, Guinea, Haiti, Madagascar, Mauritania, Mozambique, Nepal, Sudan, Tanzania, Togo, Uganda, and Zambia.⁴⁹ The proposed agenda includes: initiatives to improve market access and diversify exports, country-specific roundtable discussions, and thematic roundtable discussions.

Market-Access Initiatives

The market-access initiatives are described by the CTD as initiatives to improve market access for least-developed countries and to diversify their export production. Other WTO Members, on an autonomous basis, would have an opportunity to enhance access to their markets for imports from least-developed countries. To assist in this initiative, the WTO has drawn up a list of leading products exported by least-developed countries, using 1995 Harmonized System data at the 6-digit level, that gives the dollar value, number of LLDCs for which goods of the HS subheading are a principal export, and the total number of LLDCs exporting the product. This tabulation represents 75 percent of total LLDC trade in 1995, covering just over \$16 billion.

Country-Specific Roundtables

The country-specific roundtables aim to develop an integrated framework for technical assistance — including human and institutional capacity-building — that will provide a channel to support least-developed countries in their trade and trade-related activities, to conduct programs with individual LLDCs, and to monitor and evaluate those programs.

Thematic Roundtables

The thematic roundtables are anticipated as parallel sessions to the country-specific roundtables. Two themes are scheduled, one on building the ‘capacity to trade’ in least-developed countries (theme A), and a second on encouraging investment in least-developed countries (theme B). Theme A aims

⁴⁸ WTO, Committee for Trade and Development, “Preparations for the High-Level Meeting on Least-Developed Countries,” WT/COMTD/W/28, June 12, 1997, att. 3.

⁴⁹ Fifteen of these countries requested assistance in preparing their needs assessment by late July 1997; Ethiopia and Zambia submitted drafts that were reviewed for appropriate follow-up, and Mozambique, Nepal, and Tanzania said they may request assistance in preparing their needs assessment at a later stage.

to identify actions that the LLDCs (individually or regionally) and aid agencies can take to overcome supply-side constraints to increased participation by LLDCs in the multilateral trading system and world trade. These actions could include trade and trade-related policy reform, institutional capacity-building, and improved infrastructure and facilities. Theme B aims to identify actions that the LLDCs (individually or regionally) and aid agencies can take to promote private domestic and foreign direct investment in the tradeable goods and services sectors of LLDC economies.

Developments in Multilateral Assistance to Sub-Saharan Africa

The World Bank and the AfDB are major sources of multilateral assistance for Sub-Saharan Africa. The IMF provides concessional loans to countries experiencing balance-of-payments difficulties. World Bank and AfDB lending finance specific development projects and, as such, can generally be classified by sector. Loans of the IMF are made to finance balance-of-payments deficits and, as such, cannot be classified by sector. World Bank and AfDB projects, such as those dealing with transportation, electrical power, telecommunications, water supply, and sewerage, typically involve the purchase of materials, equipment, and consulting services outside the recipient country. Other projects, such as those dealing with health, education, and public sector management, are likely to focus primarily on the purchase of consulting services from outside the recipient country.

The World Bank, together with the affiliated International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), comprise the World Bank Group. MIGA offers investment insurance to encourage foreign investment in its developing country members. The IFC promotes private investment in developing countries by financing private-sector projects that lack government guarantees. As with the World Bank and the AfDB, share capital for MIGA and the IFC is provided by the member countries, which collectively determine the policies and activities of these institutions. The United States is a shareholder in both MIGA and the IFC.

The World Bank Group

The World Bank/International Development Association

The majority of World Bank loans support specific development projects and sector investor programs. The Bank also makes policy-oriented structural and sectoral adjustment loans so developing countries can make the national policy changes and institutional reforms needed to improve their balance of payments and to restore balanced economic growth. The International Development Association (IDA) is part of the World Bank Group and is responsible for concessional lending. It provides long-term loans that are interest-free to eligible borrowers from developing countries. The primary goal of IDA is to reduce poverty and to promote sustainable, diverse economic growth.

IDA is Africa's most important source of concessional lending, amounting to over \$3 billion per year.⁵⁰ In 1996, 100 percent of World Bank disbursements to countries in Sub-Saharan Africa was IDA loans. There are 80 countries eligible to borrow from IDA; those countries in Sub-Saharan Africa are listed in table 3-3. IDA funds are distributed to recipient countries based on their size, income level and success in managing their economies and IDA projects.

Every 3 years member governments are requested to replenish IDA funds. The 11th IDA replenishment was held in Tokyo, Japan, in March 1996, and covers fiscal years 1997 to 1999.⁵¹ The IDA-11 agreement is expected to raise \$22 billion in funds for lending, of which \$11 billion will be provided by contributing members. Countries in Sub-Saharan Africa are expected to receive 45 to 50 percent of IDA-11 funds.⁵²

The largest pledges to the IDA-11 replenishment were made by the United States with \$725.7 million, Japan \$695.8 million, Germany \$382.8 million, United Kingdom \$214.0 million, and Italy \$151.3 million.⁵³ The IDA-11 agreement includes a

⁵⁰ The World Bank, "The International Development Agency," Oct. 2, 1996, found at <http://www.worldbank.org/html/exdr/ida2.html>.

⁵¹ The World Bank, "Eleventh Replenishment of IDA and the role of the Interim Trust Fund," June 26, 1997, found at <http://www.worldbank.org/html/opr/procure/eleven.html>.

⁵² IDA, "Overview of the International Development Association," found at <http://www.worldbank.org/html/extdr/ida0.html>.

⁵³ The World Bank, *The World Bank Annual Report 1996* (Washington, DC: The World Bank 1996), p. 18.

**Table 3-3
World Bank/IDA: Eligible borrowers in Sub-Saharan Africa (41)**

Angola	Eritrea	Nigeria
Benin	The Gambia	Rwanda
Burkina Faso	Ghana	São Tomé and Príncipe
Burundi	Guinea	Senegal
Cape Verde	Guinea-Bissau	Sierra Leone
Cameroon	Kenya	Somalia
Central African Republic	Lesotho	Sudan
Chad	Liberia	Tanzania
Comoros	Madagascar	Togo
Congo	Malawi	Uganda
Côte d'Ivoire	Mali	Zaire
Djibouti	Mauritania	Zambia
Equatorial Guinea	Mozambique	Zimbabwe
Ethiopia	Niger	

Source: IDA, "Eligible Borrowers as of April 1997," found at <http://www.worldbank.org/html/extdr/eligible.htm>.

provision that will establish an Interim Trust Fund (ITF), which will fund some of the lending during FY 1997. The ITF is designed to cover the shortfall in funds as a result of the absence of new contributions offered by the United States for FY 1997. The United States announced that it would not cover the ITF, but would instead attempt to pay its arrears to IDA-10. Contributions by other IDA members to the ITF totaled \$2.1 billion in 1996.⁵⁴ As of March 1997, the United States was not eligible to participate in the sale of goods and services purchased for ITF-financed projects following the World Bank's official guidelines on procurement of goods and services.⁵⁵

During FY 1996, 40 percent of new IDA commitments were allocated to Sub-Saharan Africa. The largest borrowers of IDA funds during FY 1996 were Côte d'Ivoire (\$213.5 million), Kenya (\$129.5 million), Ghana (\$118.5 million), Cameroon (\$86.8 million) and Malawi (\$78.5 million). Together these countries accounted for over one-half of total IDA lending to the region and for 22 percent of total IDA lending during FY 1996.⁵⁶

Sectoral loan commitments made by the World Bank under the IDA and IBRD programs to countries in Sub-Saharan Africa during fiscal years 1992-96 are shown in table 3-4.⁵⁷ During FY 1996, the largest loan commitments were in public sector management with loans of \$654.4 million; transportation \$420.7 million; multisector, \$407.8 million; agriculture \$328 million; and social sector, \$257.5 million.⁵⁸

⁵⁴ Ibid.

⁵⁵ The World Bank, "Eleventh Replenishment of IDA and the Role of the Interim Trust Fund," June 26, 1997, found at <http://www.worldbank.org/html/opr/procure/eleven.html>.

⁵⁶ The World Bank, "IDA's FY 96 Lending Commitments," June 25, 1997, found at <http://www.worldbank.org/html/exdr/2websit1.html>.

⁵⁷ The World Bank, *The World Bank Annual Report 1996* (Washington, DC: The World Bank, 1997), p. 75.

⁵⁸ Ibid.

As shown in table 3-5, World Bank projects approved for Sub-Saharan Africa in FY 1996 totaled over \$2.0 billion. The largest loan commitments approved in FY 1996 were for a private sector development adjustment credit project in Côte d'Ivoire (\$180 million); a second structural adjustment credit project in Cameroon (\$150 million); urban transport infrastructure in Kenya (\$115 million); a social rehabilitation and development fund project in Ethiopia (\$120 million); and an urban sector rehabilitation project in Tanzania (\$105 million).⁵⁹

Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agency (MIGA) is affiliated with, but financially independent of, the World Bank. MIGA's primary purpose is to encourage the flow of investment capital between member countries, particularly to developing member countries. MIGA was created to supplement IBRD and IFC funding and to complement, on a global basis, national investment risk insurance programs.⁶⁰ The MIGA also offers technical assistance, investment promotion, and investment marketing to encourage the flow of investment capital to its members. In 1996, MIGA was comprised of 141 industrialized and developing countries. Table 3-6 lists those countries in Sub-Saharan Africa that are currently members of MIGA and those that are in the process of fulfilling membership requirements.⁶¹

During FY 1996, MIGA provided guarantees or coverage for seven projects in Sub-Saharan Africa, totaling approximately \$65 million. These projects included issuing its first guarantee contract to Mali

⁵⁹ Ibid, pp. 78-79.

⁶⁰ MIGA, *MIGA the Mission and the Mandate*, http://www.miga.org/afr_two.htm.

⁶¹ MIGA, "MIGA Member Countries (141)," found at <http://www.miga.org/members.htm>.

Table 3-4
Sub-Saharan Africa: World Bank lending commitments to borrowers by sectors, fiscal years
1992-96, and averages 1987-91

(Million U.S. dollars by fiscal years)

Sector	Average 1987-91	1992	1993	1994	1995	1996
Agriculture	671.1	707.4	318.3	152.6	415.1	328.0
Education	197.6	402.9	417.4	325.5	201.2	131.6
Electric power and other energy	145.1	130.0	356.0	90.0	255.3	73.3
Environment	4.4	-	-	2.6	-	11.8
Finance	283.3	619.9	279.6	400.1	7.2	59.2
Industry	122.0	200.0	20.9	16.8	-	11.4
Mining/Other extractive	16.2	6.0	-	-	24.8	-
Multisector	604.2	895.0	451.2	724.1	470.9	407.8
Oil and gas	66.5	-	2.4	186.2	-	-
Population, health and nutrition ...	179.8	110.3	131.2	161.6	311.5	158.7
Public sector management	103.3	128.1	139.8	61.0	117.3	654.4
Social sector	5.8	59.0	12.0	-	-	257.5
Telecommunications/Informatics ...	73.8	-	89.1	-	-	-
Transportation	389.4	233.0	483.0	501.9	74.8	420.7
Urban development	225.9	184.6	49.2	111.4	158.0	190.0
Water supply and sanitation	167.3	297.4	67.2	74.1	248.2	35.7
Total	3,255.7	3,973.6	2,817.3	2,807.9	2,284.3	2,740.1

Note.—Because of rounding, figures may not add to the totals shown.

Source: World Bank, *1996 Annual Report*, p. 75.

and issuing additional guarantees to Tanzania, Uganda, and South Africa. MIGA's first guarantee to Mali was issued to the Anglo-American Corporation of South Africa, Ltd. in the amount of \$50 million for its shareholders to construct and operate a gold mine and ore treatment plant. MIGA issued guarantee contracts totaling more than \$1.1 million covering the Wilken Group of the United Kingdom for its equity and shareholder loans to Wilken Afsat (Tanzania) Limited and Wilken Afsat (Uganda) Limited to establish satellite communications systems. In addition, MIGA issued guarantee contracts totaling \$2.6 million to Uganda to cover equity and shareholder loans for Starlight Telecommunications Limited to establish a network of pay phones and a mobile radio and private voice and data communications systems. In South Africa, MIGA issued a \$12.2 million guarantee to cover Habib Bank's equity financing of a new commercial branch bank.⁶²

International Finance Corporation

The International Finance Corporation (IFC), a member of the World Bank Group, is the largest multilateral source of loan and equity financing for private sector projects in developing countries, accounting for \$8.1 billion worldwide in FY 1996. Approximately 2 percent of total IFC financing in

1996, or \$190 million, was accounted for by lending to Sub-Saharan Africa. The IFC's main objective in Sub-Saharan Africa is to help increase the amount and quality of private investment through the use of its own resources and the mobilization of foreign capital.⁶³ There are currently 46 members of the IFC from Sub-Saharan Africa (see table 3-7).

In FY 1996, the IFC approved \$190 million in financing for 71 projects in 20 Sub-Saharan African countries. The high number of projects was a record for IFC lending to any one region in a given year, and reflects the increasing participation of the small and mid-size businesses in IFC projects. IFC financing consisted principally of IFC loans and equity, with \$15 million accounted for by IFC participation with commercial banks.⁶⁴

Since its inception in 1956, the IFC has approved 602 investments and 66 syndications in Sub-Saharan Africa. As of March 1997, 27 projects had been approved totaling \$76 million in IFC loans and equity and \$75 million in IFC loan participations and underwriting.⁶⁵ Some of the larger projects approved

⁶³ IFC, *Regional Reports - Sub-Saharan Africa*, found at <http://www.ifc.org/publicat/annrep/rehome.html>.

⁶⁴ IFC, *IFC Approved Projects in Sub-Saharan Africa*, found at <http://www.ifc.org/depts/region/africa/projects.html>.

⁶⁵ IFC, *IFC Approved Projects*, found at <http://ifc.org/data/investdb/fsyn-r.html> and <http://ifc.org/data/investdb/fifc-r.html>.

⁶² MIGA, *MIGA Annual Report 1996*, pp. 18-21.

Table 3-5
World Bank projects approved in Sub-Saharan Africa, FY 1996

(Million dollars)

Country/project name	Date of approval	Maturity dates	Principal amount
Cameroon			
Privatization and Private Sector Technical Assistance Project	June 13, 1996	2006/2036	12.60
Transport Sector Project	May 30, 1996	2006/2036	60.70
Second Structural Adjustment Credit (IDA Reflows)	Apr. 2, 1996	2006/2035	30.30
Second Structural Adjustment Credit	Feb. 8, 1996	2006/2035	150.00
Cape Verde			
Capacity-Building Project for Private Sector Promotion	May 21, 1996	2006/2036	11.40
Chad			
Structural Adjustment Credit	Feb. 15, 1996	2006/2036	30.00
Capacity Building for Economic Management Project	Feb. 15, 1996	2006/2036	9.50
Côte d'Ivoire			
Integrated Health Services Development Project	June 17, 1996	2006/2036	40.00
Private Sector Development Adjustment Credit	Apr. 11, 1996	2006/2036	180.00
Eritrea			
Community Development Fund Project	Feb. 29, 1996	2006/2036	17.50
Ethiopia			
Social Rehabilitation and Development Fund Project	Apr. 9, 1996	2006/2036	120.00
Water Supply Development and Rehabilitation Project	Apr. 9, 1996	2006/2036	35.73
Ghana			
Basic Education Sector Project	June 11, 1996	2006/2036	50.00
Public Enterprise and Privatization Technical Assistance Project	June 11, 1996	2006/2036	26.45
Highway Sector Investment Program	May 14, 1996	2006/2036	100.00
Urban Environmental Sanitation Project	Mar. 26, 1996	2006/2036	71.00
Guinea			
Mining Sector Investment Promotion Project ..	June 4, 1996	2006/2036	12.20
National Agricultural Services Project	Apr. 2, 1996	2006/2035	35.00
Kenya			
Structural Adjustment Credit	June 18, 1996	2006/2036	90.00
Structural Adjustment Credit (IDA reflows)	June 18, 1996	2006/2036	36.80
Nairobi-Mombasa Road Rehabilitation Loan	Jan. 30, 1996	2006/2035	50.00
Urban Transport Infrastructure	Jan. 30, 1996	2006/2035	115.00

Table 3-5—Continued
World Bank projects approved in Sub-Saharan Africa, FY 1996

(Million dollars)

Country/project name	Date of approval	Maturity dates	Principal amount
Lesotho			
Road Rehabilitation and Maintenance Project	May 9, 1996	2006/2036	40.00
Madagascar			
Energy Sector Development Project	Apr. 16, 1996	2006/2035	46.00
Malawi			
Social Action Fund Project	May 9, 1996	2006/2036	56.00
Fiscal Restructuring and Deregulation Program	Apr. 30, 1996	2006/2036	102.00
Fiscal Restructuring and Deregulation Program (IDA reflows)	Apr. 30, 1996	2006/2036	4.40
Primary Education Project	Jan. 25, 1996	2006/2035	22.50
Mali			
Economic Management Credit	June 27, 1996	2006/2036	60.00
Selingue Power Rehabilitation Project	Apr. 25, 1996	2006/2036	27.30
Vocational Education and Training Consolidation Project	Mar. 14, 1996	2006/2036	13.40
Mauritania			
Public Resource Management Project	June 20, 1996	2006/2036	20.00
Urban Infrastructure and Pilot Decentralization Project	Mar. 26, 1996	2006/2035	14.00
Senegal			
Higher Education Project	June 4, 1996	2006/2036	26.50
Pilot Female Literacy Project	June 4, 1996	2006/2036	12.60
Sierra Leone			
Transport Sector Project	June 27, 1996	2006/2036	35.00
Integrated Health Sector Investment Project	Mar. 14, 1996	2006/2035	20.00
Tanzania			
Urban Sector Rehabilitation Project	May 23, 1996	2006/2036	105.00
Togo			
Economic Recovery and Adjustment Credit	Apr. 25, 1996	2006/2035	50.00
Uganda			
Agricultural Sector Management Project	Apr. 16, 1996	2006/2036	17.90
Zambia			
Economic Recovery and Investment Promotion Technical Assistance	June 4, 1996	2006/2036	23.00
Zimbabwe			
Enterprise Development Project	Apr. 25, 1996	2006/2036	70.00
Total principal approved			2,049.78

Source: World Bank, 1996 Annual Report, pp. 78-79.

Table 3-6
MIGA members and countries in the process of fulfilling membership requirements, Sub-Saharan Africa, 1996

MIGA Member Countries (36):

Angola	Benin	Botswana	Burkina Faso	Cameroon
Cape Verde	Congo	Côte d'Ivoire	Equatorial Guinea	Ethiopia
Eritrea	The Gambia	Ghana	Guinea	Kenya
Lesotho	Madagascar	Malawi	Mali	Mauritania
Mauritius	Mozambique	Namibia	Nigeria	Senegal
Sierra Leone	Seychelles	South Africa	Sudan	Swaziland
Tanzania	Togo	Uganda	Zaire	Zambia
Zimbabwe				

Countries in the Process of Fulfilling Membership Requirements (7):

Burundi	Chad	Gabon	Guinea-Bissau	Niger
Rwanda	Sierra Leone			

Source: MIGA, *MIGA Member Countries (141)*, found at <http://www.miga.org/members.htm>.

Table 3-7
IFC Sub-Saharan African members (46)

Angola	Benin	Botswana
Burkina Faso	Burundi	Cameroon
Cape Verde	Central African Republic	Comoros
Congo	Côte d'Ivoire	Djibouti
Equatorial Guinea	Eritrea	Ethiopia
Gabon	The Gambia	Ghana
Guinea	Guinea-Bissau	Kenya
Lesotho	Liberia	Madagascar
Malawi	Mali	Mauritania
Mauritius	Mozambique	Namibia
Niger	Nigeria	Rwanda
Senegal	Seychelles	Sierra Leone
Somalia	South Africa	Sudan
Swaziland	Tanzania	Togo
Uganda	Zaire	Zambia
Zimbabwe		

Source: IFC *Annual Report*, 1996, p. 30.

by the IFC during 1996 included: Uganda, the Kasese Cobalt Company (\$24.6 million for a cobalt production project); Mozambique, the Banco Internacional de Mocambique, SARL (\$15 million for a commercial bank project) and the Cimentos de Mocambique, SARL (\$10 million for a cement company project); Kenya, the Panafrican Paper Mills (E.A.), Ltd. (\$15 million for a pulp and paper mill project); and Ghana, the Ghanian-Australian Goldfields Ltd. (\$14.6 for a gold mine project).⁶⁶

The African Enterprise Fund (AEF) was established in 1989 by the IFC as a pilot program to provide debt and equity financing for projects ranging in cost from \$250,000 to \$5 million. AEF provides up to 40 percent of the financing on approved projects, usually by means of a loan, an equity

investment, or a combination of the two.⁶⁷ In FY 1996, more than one-half of all projects approved for financing by the IFC were made through the AEF. AEF projects totaled \$28 million, covering 42 projects in 18 countries.⁶⁸ Projects financed by AEF in 1996 included \$1 million to Plantivoire in Côte d'Ivoire to expand its plantation; \$1.6 million to a fishing firm in Mauritius for expansion of operations; \$0.1 million to Vicoda, a textile firm in Nigeria; and \$0.9 million to Cloverem, a fish-processing company in Uganda to ensure regular supplies of fresh fish.⁶⁹

Another organization established by the IFC in cooperation with the United Nations Development Programme (UNDP) and the AfDB is the Africa

⁶⁷ IFC, *Africa Enterprise Fund (AEF)*, found at <http://www.ifc.org/depts/region/africa/aef.html>.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁶⁶ IFC, *Annual Report*, 1996, pp. 39-42.

Project Development Facility (APDF). The primary purpose of the APDF is to assist entrepreneurs in preparing bankable investment proposals; in finding local and foreign financial and technical partners; in raising debt and equity financing; and in negotiating equitable financing terms.⁷⁰

The African Development Bank Group

The African Development Bank Group consists of three institutions: the AfDB, the AfDF, and the Nigeria Trust Fund (NTF). The NTF was established by the Government of Nigeria in 1976 as a means to finance projects in some African countries at concessional rates. In addition to the 48 countries of Sub-Saharan Africa, the regional members of the AfDB include Algeria, Egypt, Libya, Morocco, and Tunisia. South Africa became a member of the AfDB in December 1995.⁷¹ The United States joined the AfDB in 1982 when membership was opened to non-African countries. The United States has been a minor source of goods and services procured on AfDB loans.

During 1996, the AfDB committed resources from the following nine sources: Japan, Belgium, United States, Switzerland, The Netherlands, Portugal, Denmark, Norway and Sweden. Committed resources totaled \$3.19 million. The resources were used to fund project preparation studies, technical assistance, training, conferences, seminars and other activities relating to the fields of environment, private sector promotion, poverty reduction, micro-enterprises, women-in-development, and for collaboration with non-governmental organizations.

As a precursor to the 1996 AfDB annual meeting, the AfDB held a 1-day symposium on private sector development in Africa. Eight separate workshops were held covering a variety of inter-related issues including privatization trends, regulatory and legal obstacles, financial policies, infrastructure financing, information technology, and stock markets and investment strategies in African securities. A major theme of the workshops was that African governments should take the lead in removing obstacles and establishing policies to promote private-sector investment. The AfDB announced a new strategy to foster private sector growth which includes: assisting countries in creating an enabling environment for private enterprise; directly financing private sector

⁷⁰ *International Financial Corporation Annual Report 1996*, p. 34.

⁷¹ Currently, the 53 African countries own two-thirds of AfDB shares as against one-third for non-African members.

projects; financing infrastructure projects; extending development assistance for privatization efforts; and assisting the development of small and medium-scale enterprises. Under the new strategy, AfDB lending to the private sector would increase to 25 percent of the bank's total portfolio within 5 years.⁷²

At the third annual meeting of the African Development Bank, highlights of the bank's progress since 1995 were reported: AfDB staff has been downsized and reorganized, \$2.4 billion in undisbursed loans have been canceled, and the AfDF has been replenished and resumed operation after several years of dormancy. During 1997 and 1998, the AfDB anticipates lending at a rate of \$2.5 billion per year, about one-half of which will be concessional.⁷³ Despite these improvements, difficult negotiations over a general capital increase for the bank have continued with the main issue being whether non-regional, non-African members should increase their participation and ownership in the AfDB. In May 1997, it was agreed that any increase should be based on usable capital and that a small increase would be sufficient. The question of strengthening the role of non-regional members in bank governance remains unresolved. The United States has urged the bank to focus on developing priority niches, including smaller scale operations in primary health and education, and on encouraging direct investments from the private sector.⁷⁴

Cumulative loan approvals by the AfDB to countries in Sub-Saharan Africa during 1967-1996 are shown in table 3-8. Loan approvals for Sub-Saharan Africa totaled \$5.7 billion during this period. The sectors receiving the largest disbursements were public utilities (\$1.4 billion), industry (\$1.3 billion), and transport (\$1.1 billion).

The African Development Bank approved \$245.8 million in new loans in 1996, \$10.9 million of which were for projects in Sub-Saharan Africa. In 1996, as shown in table 3-9, AfDB loan approvals went to Ghana, Kenya, Nigeria and Uganda.

⁷² U.S. Department of State telegram, "Successful AfDB Symposium on Private Sector Development," message reference no. 116333, prepared by the U.S. Department of State, Washington, DC, June 20, 1997.

⁷³ U.S. Department of State telegram, "African Development Bank Meets Amid Optimism," message reference no. 117068, prepared by the U.S. Department of State, Washington, DC, June 21, 1997.

⁷⁴ U.S. Department of State telegram, "African Development Bank Meets Amid Optimism," message reference no. 117068, prepared by the U.S. Department of State, Washington, DC, June 21, 1997.

Table 3-8
Cumulative African Development Bank loan approvals by region and by sector 1967-96

(Million dollars)

Sector	Sub-Saharan Africa				Total	North Africa	Multi-Regional	All regions
	Central Africa	East Africa	Southern Africa	West Africa				
Agriculture, including agricultural lines of credit	223.28	153.81	88.28	515.88	981.25	1079.74		2,060.99
Transport	387.03	133.90	236.63	370.27	1,127.83	450.17	29.58	1607.58
Public utilities	401.45	112.90	245.08	661.22	1,420.65	1,088.83		2509.61
Industry, including industrial Lines of credit	205.51	206.74	260.10	643.50	1,315.85	1,096.07	10.42	2,422.34
Social	108.69	29.32	64.81	103.71	306.53	242.10		548.63
Multisector	204.47	.97	86.81	216.46	508.71	1,627.2		1,293.42
Total	1,530.44	637.64	981.70	2,511.15	5,660.93	4,741.63	40.0	10,442.57

Note.—Because of rounding, figures may not add to the totals shown.

Source: African Development Bank 1996 *Annual Report*, p. 95.

Table 3-9
African Development Bank loan approvals to Sub-Saharan Africa, 1996

(Million dollars and percent)

Country	Loan approvals (private, non-publicly guaranteed)	Total cost	ADB amount	ADB percentage
Ghana	Sheraton Ambassador Hotel Rehabilitation Project	21.03	4.83	23.0
	Edin Salt Mill Expansion and Refinery Project . . . . .	.80	.40	50.0
Kenya	Acacia Fund Limited Project	9.66	.97	10.0
	Wakate Technology Center Project	1.26	.42	33.1
Nigeria	Abuja International Diagnostic Health Center	4.83	1.45	30.0
Uganda	East African Glass Works Ltd.	9.08	2.80	30.8
Total	. . . . .	46.66	10.87	

Source: African Development Bank 1996 *Annual Report*, p. 91.

International Monetary Fund

The primary goals of the IMF are to promote international monetary cooperation; to assist in the expansion and balanced growth of international trade; to promote exchange stability; to assist in the establishment of a multilateral system of payments; to provide loans to member countries experiencing balance-of-payments difficulties; and to shorten the duration and lessen the degree of disequilibrium in the international balance of payments of its members.⁷⁵

The IMF currently has 181 members, including all countries of Sub-Saharan Africa. Most IMF lending to members with balance-of-payments difficulties is provided on a short-term basis. The IMF provides longer-term concessional balance-of-payments support to low-income developing countries that face protracted balance of payments problems.

The IMF offers several facilities and policies to assist its members with balance of payment problems and to help cushion the impact of structural adjustment. Regular facilities include reserve tranches, credit tranches, stand-by arrangements, and the Extended Fund Facility (EFF). The IMF's special facilities include the Compensatory and Contingency Financing Facility (CCFF), which was utilized by Rwanda during FY 1996 in the amount of \$12.4 million, and the Buffer Stock Financing Facility, which has not been used since 1984. The IMF offers concessional facilities in the form of the Structural Adjustment Facility (SAF), which provides low-income members with concessional loans for medium-term macroeconomic adjustment policies and structural reforms. The Enhanced Structural Adjustment Facility (ESAF) is the IMF's primary means of providing financial support, in the form of highly concessional loans to low-income members. During FY 1996, the IMF approved eight new ESAF arrangements, including six to Sub-Sahara Africa.⁷⁶ The six countries receiving new ESAF arrangements were Chad, Ghana, Kenya, Malawi, Mali, and Zambia. Increased access under existing ESAF arrangements went to Burkina Faso and Sierra Leone.

On February 4, 1997, the IMF established the Enhanced Structural Adjustment Facility - Heavily Indebted Poor Countries (ESAF-HIPC) Trust for financing ESAF subsidy operations under the HIPC initiative. The HIPC initiative is summarized in the following section.

⁷⁵ IMF, *The IMF at a Glance*, April 1997, found at <http://www.imf.org/external/tip/exr/facts/glance.html>.

⁷⁶ IMF, "IMF Financing Seeks to Cushion Impact of Member's Adjustment Policies," IMF Survey, September 1996, pp. 12-15.

Outstanding IMF loans to Sub-Saharan Africa⁷⁷ totaled \$8.5 billion at the end of 1996.⁷⁸ Zambia had the largest outstanding loan balance at \$1.2 billion, followed by Sudan (\$900.7 million), South Africa (\$890.8 million), Ghana (\$547 million), and Côte d'Ivoire (\$506.9 million).⁷⁹

Total IMF loan disbursements to Sub-Saharan Africa decreased from \$1.8 billion in 1995 to \$586.2 million in 1996. The largest loan disbursement went to Côte d'Ivoire in the amount of \$138 million, followed by Uganda (\$63 million), Ghana (\$39.7 million), Tanzania (\$37.3 million), and Senegal (\$34.5 million).⁸⁰

At the end of FY 1996, three Sub-Saharan African countries — Somalia, Sudan and Zaire — remained ineligible to use the general resources of the Fund, pursuant to the IMF's declarations set out under Article XXVI, Section 2(a).⁸¹

Debt Reduction for the Poorest Countries

The United States provides debt relief and debt reduction for the poorest, most heavily-indebted countries as part of multilateral action in the Paris Club.⁸² Debt reduction serves to maximize the recipient country's future repayment capacity to its creditors, while also easing a debt burden which serves as a major deterrent to investment and growth. Many of the recipients are in Sub-Saharan Africa.

The Paris Club provides debt reduction to the poorest countries under "Naples Terms" or as part of the new Heavily Indebted Poorest Countries (HIPC) initiative. "Naples Terms" treatment provides for up to 67 percent debt reduction for eligible poorest countries that demonstrate sustained economic performance. During FY 1996, the United States committed in the Paris Club to provide debt relief to five Sub-Saharan African countries.⁸³ A total of \$119.3 million in debt was reduced or rescheduled under these agreements.

⁷⁷ Excluding Botswana and Eritrea who were not included in the total.

⁷⁸ The total is comprised of GRA, SAF, ESAF, and Trust loans.

⁷⁹ International Monetary Fund, *International Financial Statistics*, June 1997, p. 22.

⁸⁰ *Ibid.*, p. 20.

⁸¹ *International Monetary Fund Annual Report 1996*, p. 140.

⁸² The Paris Club is the forum in which official creditors, mainly from OECD countries, meet with debtor governments to negotiate rescheduling agreements when debtors face imminent default on their sovereign obligations.

⁸³ Cameroon, Zambia, Sierra Leone, and Congo received debt relief under Naples Terms. Gabon had its debt rescheduled by the Paris Club.

The HIPC debt initiative provides debt relief to countries that have demonstrated 3 years of sustained economic reforms yet do not attain sustainable debt levels to qualify for debt relief under Naples Terms. The HIPC debt initiative was agreed to by the IMF and the World Bank in late 1996.⁸⁴ The goal of this initiative is to reduce the debt burden of heavily indebted poor countries to sustainable levels. It will provide coordinated debt relief by all creditors (including on obligations to the IMF, the World Bank, and other multilateral financial institutions) on a case-by-case basis. The Paris Club has agreed to provide debt relief up to 80 percent for qualifying countries under the HIPC debt initiative. The HIPC initiative, in particular, reinforces efforts of recipient countries to undertake macroeconomic adjustment and structural and social policy reforms, including poverty reduction and improved health care and education.⁸⁵

U.S. Bilateral Economic and Trade Policies Affecting Sub-Saharan Africa

Developments in U.S. economic and trade assistance programs during 1996 are discussed in the following sections.

The Export-Import Bank of the United States

The Export-Import Bank of the United States (Eximbank) is an independent U.S. Government agency which assists in the sale of U.S. goods and services overseas. This assistance is provided through the financing of loans and other credit measures.⁸⁶ Eximbank provides working capital guarantees to U.S. exporters, guarantees the repayment of commercial loans to foreign buyers of U.S. goods and services, provides export credit insurance against the risk of non-payment by foreign buyers for political or commercial reasons, and makes direct loans to foreign buyers of U.S. goods.⁸⁷

⁸⁴ The World Bank, "Debt Relief Plan for the Poorest Countries Moves Ahead," News Release No. 97/1175, Nov. 15, 1996.

⁸⁵ Material in this section is based on a fax transmission to the USITC from the Office of International Debt Policy, Department of the Treasury, Aug. 5, 1997.

⁸⁶ Eximbank, *History of Eximbank*, May 30, 1996, found at <http://www.exim.gov/history/html>.

⁸⁷ Eximbank, *General Fact Sheet*, April 8, 1997, found at <http://www.exim.gov/general.html>.

Eximbank support, which consists of loans, guarantees and medium-term insurance to Sub-Saharan Africa, increased from \$2.7 billion in FY 1995 to \$3.0 billion in FY 1996, or 6 percent of its total worldwide exposure of \$55.8 billion for FY 1996. Delinquencies in Sub-Saharan Africa on Eximbank lending increased from \$1.3 billion in 1995 to \$1.6 billion in 1996. Table 3-10 lists Eximbank exposure, delinquency, and availability of financing in Sub-Saharan Africa in FY 1996.

U.S. Trade and Development Agency

TDA's mission in Sub-Saharan Africa consists of assisting U.S. firms by identifying major development projects offering large export potential and by funding U.S. private sector involvement in project planning. Since the 1995 introduction of the so-called "success fee," which requires reimbursement of TDA's contributions to successful projects, TDA has become more self-supporting. The "success fee" is collected after the U.S. beneficiary of TDA's support implements the TDA-supported project it was awarded.

TDA's obligations in Sub-Saharan Africa increased from \$3.9 million in FY 1995 to \$5.0 million during FY 1996. Total FY 1996 obligations to the region amount to \$6.3 million, including joint projects between Sub-Saharan Africa and the Middle Eastern countries.

The time lag between funding project planning activities and the identification of actual export sales associated with projects varies widely. In 1995, TDA provided a training grant of \$100,000 to Zimbabwe's Posts & Telecommunications Corp. to improve its telecommunication system in support of U.S. companies bidding on a tender to develop an automated frequency management system. This project has generated \$5 million in U.S. exports. In 1994, TDA approved \$75,000 for an orientation visit of South African telecommunications officials to the United States. Although telecommunications contracts in South Africa were dominated by European firms, TDA's support helped to generate \$3.5 million in U.S. exports and led to many subsequent export opportunities. For example, Scientific Atlanta secured a \$12.5 million contract to supply VSAT technology and equipment to South Africa, Comsat/RSI sold \$1 million in equipment for satellite earth stations in Namibia, and PanAmSat was awarded a \$60 million contract to supply television broadcasting materials.⁸⁸

⁸⁸ Information on TDA's 1996 activities is based on a facsimile transmission received by USITC staff from the agency dated July 16, 1997.

Table 3-10
Sub-Saharan Africa: Export-Import Bank exposure¹, delinquency², and availability³ for further support as of December 31, 1996

Country	Exposure	Delinquency	Availability
Angola	95,908,374	1,283,874	No
Benin	800	0	P.A.
Botswana	0	0	Yes
Burkina Faso	1,855,684	0	No
Burundi	0	0	No
Cameroon	94,542,122	22,548,925	No
Cape Verde	0	0	No
Central African Republic	7,805,095	1,304,290	No
Chad	0	5,435,175	No
Comoros	0	0	No
Congo	11,815,104	6,496,360	No
Côte d'Ivoire	172,931,593	0	P.A.
Djibouti	0	0	No
Equatorial Guinea	0	0	No
Eritrea	0	0	No
Ethiopia	0	0	No
Gabon	74,463,350	1,925,594	P.A.
The Gambia	0	0	No
Ghana	425,792,466	0	No
Guinea	8,756,743	0	No
Guinea-Bissau	0	0	No
Kenya	56,704,211	317,483	P.A.
Lesotho	0	0	Yes
Liberia	5,980,110	6,385,601	No
Madagascar	24,366,996	24,764,352	No
Malawi	0	0	No
Mali	0	0	No
Mauritania	0	0	No
Mauritius	2,690,671	0	Yes
Mozambique	48,589,817	14,130,499	No
Namibia	0	0	Yes
Niger	6,821,520	1,578,533	No
Nigeria	724,090,772	519,820,345	L
Rwanda	0	1,292,668	No
São Tomé and Príncipe	0	0	No
Senegal	1,766,468	0	No
Seychelles	4,097,693	0	Yes
Sierra Leone	12,529,960	0	No
Somalia	0	0	No
South Africa	0	0	Yes
Sudan	28,246,331	41,264,440	L
Swaziland	3,635	0	Yes
Tanzania	26,547,900	10,855,987	No
Togo	2,820	0	No
Uganda	3,687,531	0	P.A.
Zaire	921,830,192	905,882,844	No
Zambia	146,978,513	23,759,961	No
Zimbabwe	100,178,270	0	Yes
Total	\$3,008,984,741	1,589,046,931	

¹ Exposure = authorization of all forms of support minus repayment and cancellations.

² Arrears in the repayment of principal.

³ Yes = Available for all six types of financing: short, medium, and long term for both private and public buyers of U.S. goods and services; No = Not available; P.A. = Partially available for some of the six types of financing; L = Support is legally prohibited.

Overseas Private Investment Corporation

OPIC is a self-sustaining U.S. Government agency that provides investment information, financing, and political risk insurance for U.S. investors in countries eligible for its support. OPIC finances new investment or modernization of existing production or service facilities through direct loans and loan guarantees. Whereas direct loans are reserved for smaller projects, generally ranging from \$2 million to \$30 million, loan guarantees are used for larger projects ranging from \$10 million to \$200 million. OPIC offers insurance against currency inconvertibility, expropriation and political violence.⁸⁹ OPIC operates programs in countries with which it has an investment agreement. OPIC currently does not have agreements with two countries in Sub-Saharan Africa—Comoros and Seychelles.⁹⁰ In 1996, OPIC insured more than \$171 million in new U.S. investments in Sub-Saharan Africa, a 54-percent increase over 1995. The finance program committed \$80 million, an increase of 26 percent over the 1995 level. OPIC has provided a total of more than \$775 million in insurance and financing to 55 projects in Sub-Saharan Africa.⁹¹

In 1996, OPIC extended support to the following investment projects in Sub-Saharan Africa: Angola, import-export warehouse (\$10.0 million); Ghana, gold mining (\$110.0 million); Morocco, coal-fired power generation (\$2.07 million); South Africa, laundromat/dry-cleaning, telephone directories (\$25.3 million); Tanzania, debit card telephone network (\$11.3 million); and Uganda, pyrethrum extract processing and data satellite network (\$2.4 million).⁹² OPIC projects approved during FY 1996 are expected to generate \$9.6 billion in U.S. exports during a 5-year period following approval.

OPIC provides support to the New Africa Opportunity Fund, which was established in 1995. The fund is a privately managed equity fund designed to encourage the development of entrepreneurship in South Africa and neighboring countries and to support the process of privatization in the region. The fund is capitalized with private equity and supported by OPIC-guaranteed debt. With a capitalization of \$120 million and managed by New Africa Advisers

⁸⁹ OPIC, *1996 Annual Report*, December 1996, p. 38.

⁹⁰ During 1995, OPIC programs were suspended in 5 countries — The Gambia, Liberia, Mauritania, Nigeria and Sudan. OPIC programs were suspended in Burundi and Niger in FY 1996. USITC, *U.S. Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, USITC publication 3000, October 1996, p. 3-21.

⁹¹ <http://www.opic.gov/subdocs/public/publications/afhigh.htm>.

⁹² OPIC, *1996 Annual Report*, December 1996, p. 20.

(NAA), a subsidiary of the Sloan Financial Group, the NAOF is to be used to insure U.S. investments in South Africa and neighboring countries. The fund is designed to focus on developing businesses to be owned or managed in the region, and will operate in Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.⁹³

OPIC has been asked by Congress to play a role in a new initiative to expand American investment and economic growth in Africa. The African Growth and Opportunity Act, H.R. 1342, calls for OPIC to develop new private sector equity investment funds specifically for Africa. The program would include a \$150 million private equity fund to invest in commercial and natural resources projects in the Sub-Saharan region, and the development of one or more additional private equity funds with a total capitalization of up to \$500 million to invest in infrastructure projects in the telecommunications, power, transportation and financial services sectors. A similar initiative developed by the administration includes the same package of OPIC funds.⁹⁴

U.S. Generalized System of Preferences

The U.S. Generalized System of Preferences (GSP) program authorizes the President to grant duty-free access to the U.S. market for certain goods that are products of designated developing countries and territories. The program is authorized by Title V of the Trade Act of 1974, as amended (19 U.S.C. 2461 et seq.). By offering unilateral tariff preferences, the GSP program reflects the U.S. commitment to an open world trading system and to economic growth and diversification. The program has three broad goals: (1) to promote economic development in developing and transitioning economies through increased trade, rather than foreign aid; (2) to reinforce U.S. trade policy objectives by encouraging beneficiaries to open their markets, to comply more fully with international trading rules, and to assume greater responsibility for the international trading system; and (3) to help maintain U.S. international competitiveness, by lowering costs for U.S. business as well as lowering prices for American consumers.

Countries are designated as “beneficiary developing countries” under the program by the President. By statute, the President cannot designate developed countries and also may not designate countries that, *inter alia*, discriminate against U.S.

⁹³ OPIC, *OPIC Highlights*, May 1997, p. 2

⁹⁴ *Ibid*, p. 1.

goods or do not afford adequate protection to intellectual property rights or afford internationally recognized worker rights to their workers.⁹⁵ The President likewise also designates the articles that are eligible for duty-free treatment, but cannot designate articles that are considered by U.S. law to be “import sensitive,” such as footwear, textiles, and apparel.⁹⁶ The statute also provides for graduation of countries from the program when they become “high income” countries, and for removal of eligibility of articles or articles from certain countries, under certain conditions. Each year, the GSP Trade Policy Staff Committee (TPSC) conducts a review process in which products can be added to or removed from the GSP program or in which a beneficiary’s compliance with the eligibility requirements can be considered.

The GSP program expired on July 31, 1995, and was extended retroactively through May 31, 1997, by legislation (Public Law 104-188) signed by the President on August 20, 1996.⁹⁷ On May 30, 1997, as part of a legislative package to renew the GSP program through June 30, 1998, President Clinton designated 1,783 products eligible for GSP duty-free treatment when those goods are produced in the least-developed beneficiary developing countries (LDBDC). Most of the LDBDC’s are located in Sub-Saharan Africa. The President also proposed that the GSP program be made permanent for the least-developed countries. U.S. Trade Representative Charlene Barshefsky, announcing the legislative initiative, said that “The GSP program should be a tool to bring trade, economic reform, democracy and greater stability to the least-developed countries of the world. That is exactly what this legislation is about.”⁹⁸

U.S. Agency for International Development

The U.S. Agency for International Development (USAID) implements the foreign economic assistance programs offered by the U.S. government. USAID operates in four interrelated areas to achieve U.S. foreign policy objectives: improving health and population conditions; promoting economic growth;

⁹⁵ 19 U.S.C. 2462(b).

⁹⁶ 19 U.S.C. 2463.

⁹⁷ For a summary of changes to the GSP program in 1996, see USITC, “*The Year in Trade: Operation of the Trade Agreements Program, 1996*,” USITC publication 3024, April 1997, pp. 142-3.

⁹⁸ USTR, “Administration Submits CBI, GSP, and Shipbuilding Trade Legislation to Congress,” Press Release 97-55, June 18, 1997.

protecting the environment; and supporting democracy.⁹⁹

During FY 1996, USAID allocated \$632 million for programs in Sub-Saharan Africa.¹⁰⁰ This amount was 25 percent less than in FY 1995.¹⁰¹ USAID is working on strengthening its partnership with other donors through coordination in a number of complementary organizations including the World Bank Consultative Group; the United Nations Development Programme (UNDP); the Special Program of Assistance for Africa (SPA); the Global Coalition for Africa (GCA); continent-wide fora; and formal and informal coordination mechanisms at the country level. The purpose of these coordination efforts is to influence the aid policies and programs of other donors; to avoid duplication of assistance efforts; to enhance the effectiveness of U.S. aid and to leverage policy change from African governments.¹⁰²

USAID’s regional programs consist of the following: the Leland Initiative; the Greater Horn of Africa Initiative (GHAI); the Initiative for Southern Africa (ISA); the Southern Africa Regional Telecommunications Restructuring Project; and the International Executive Service Corps (IESC). The Leland Initiative is a five-year (1996-2001) USAID project, which seeks to bring the global information network to the people of Africa. The project emphasizes a public-private sector approach between Africa and the United States to bring full Internet capabilities to up to 20 Sub-Saharan African countries. This project will focus on creating an enabling policy environment; creating a sustainable Internet service provider industry; and enhancing user applications for sustainable development.¹⁰³

The GHAI focuses on new regional capacity for crises prevention and civil society; implementing strategies and procedures to ensure the transition from crises to broad-based sustainable growth; realizing greater regional collaboration in promoting sustainable economic growth; and strengthening support for regional and national food security strategies. Under the GHAI, the United States is proposing an international recommitment and a regional initiative to break the cycle of poverty and crisis in the region.

⁹⁹ USAID, Center for Trade and Investment Services, *Guide for Doing Business in Sub-Saharan Africa*, USAID, March 1997, p. 1.

¹⁰⁰ *Ibid.*, p. 9.

¹⁰¹ U.S. Department of State, *U.S. Assistance and Debt Relief in Sub-Saharan Africa*, U.S. Department of State Fact Sheet, Bureau of African Affairs, Oct. 4, 1996.

¹⁰² U.S. Agency for International Development, *USAID Congressional Presentation FY 1997*, USAID, July 3, 1997, found at <http://www.info.usaid.gov/pubs/cp97/afr/afrov.html>.

¹⁰³ U.S. Agency for International Development, *Guide for Doing Business in Sub-Saharan Africa*, USAID, Center for Trade and Investment Services, March 1997, p. 20.

The GHAI covers Rwanda, Burundi, Somalia, Ethiopia, Eritrea, Sudan, Djibouti, Uganda, Kenya and Tanzania.¹⁰⁴

The ISA emphasizes building democracy; increasing indigenous business development and ownership; increasing the efficiency, reliability, and competitiveness of regional transport and telecommunications infrastructure; and protecting the environment.¹⁰⁵

The Southern Africa Regional Telecommunications project focuses on the inadequate telecommunications system in the Southern African Development Community (SADC) region. The goal of the project is to promote policy and regulatory reform in Southern Africa by encouraging private participation in the provision of telecommunications equipment and services; introducing competition and restructuring state-owned monopolies.¹⁰⁶

Under the IESC, retired or consultant business executives work with business managers or owners for 4 to 6 weeks. The purpose of the program is to provide technical assistance to entrepreneurs and business associations in developing countries. Currently, the IESC has active programs in Ghana, Zambia and Zimbabwe.¹⁰⁷

¹⁰⁴ Ibid., p. 21.

¹⁰⁵ Ibid., p. 21.

¹⁰⁶ Ibid., p. 22.

¹⁰⁷ Ibid., p. 22.

U.S. Bilateral Economic Assistance

U.S. bilateral economic assistance to Sub-Saharan Africa amounted to \$1.2 billion in 1996, down from \$1.5 billion in 1995. The decline reflects a reduction in development assistance, economic support funds, food aid, and foreign disaster assistance and rehabilitation.¹⁰⁸ In response to cuts in program spending and operating expenses, USAID is reducing activities in support of development in certain countries or project areas. USAID plans to maintain about a dozen sustainable development programs, to accelerate graduation of several others, and provide limited assistance in about eight other African countries.¹⁰⁹

¹⁰⁸ USAID, facsimile transmission, Bureau for Africa Development Planning to USITC staff, Aug. 4, 1997.

¹⁰⁹ USAID, "Making a Difference in Africa: A Report on USAID Activities in Africa, 1996," found at <http://www.info.usaid.gov/regions/afr/abic/cp1997y.pdf>.

CHAPTER 4

Trade and Economic Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment in Major Sectors

This chapter highlights developments during 1996-97 in the implementation of the Uruguay Round Agreements (URA) and U.S. and regional economic and trade policies likely to specifically affect U.S.-Sub-Saharan Africa trade and investment in major sectors. The sector summaries provide information, to the extent available, on (1) changes in tariff and non-tariff barriers in the United States and in major regional trading partners, (2) economic and trade policy developments in the United States, including the level of imports from the region entering under the Generalized System of Preferences (GSP) program, (3) economic and trade policy developments in major regional trading partners, and (4) developments in multilateral lending to major regional trading partners. Discussion of trade shifts in each sector focuses on the top five trade partners in the region. Where relevant, shifts in other countries economic and trade policies are also highlighted.

Many countries in Sub-Saharan Africa continued the trends observed in the second USITC report on U.S.-Africa trade flows:¹ the implementation of both (1) sector-specific policy reforms, such as easing or lifting price and trade controls, and privatizing state-owned enterprises, as well as (2) economy-wide reforms, such as strengthening business codes, liberalizing foreign-investment regulations, and easing foreign-exchange controls. Improvements to regional infrastructure also continued, assisted through multilateral lending and investment-guarantee programs. All of these developments tend to promote trade and investment between the United States and Sub-Saharan Africa.

During 1995-96, major sectors in which U.S. trade with Sub-Saharan Africa experienced the greatest growth, in absolute terms, continued to be U.S. exports of transportation equipment and imports of

energy-related products. U.S. exports of transportation equipment grew by \$523.2 million in 1996, reflecting continued regional development efforts in the transportation sector. U.S. imports of energy products grew by \$1.7 billion, as the United States continued to rely upon foreign sources to meet its domestic energy needs. In contrast to past years, sectors in which trade declined the most during 1996 were exports of agricultural products and imports of textiles and apparel. U.S. exports of agricultural products declined by \$44.3 million as export-promotion and food-assistance programs were reduced in 1996; imports of textiles and apparel declined by \$30.2 million, attributable largely to the continuing effects of U.S. import quotas and the declining competitiveness of regional apparel products.

Agricultural Products²

Overview

U.S. exports of agricultural products to the Sub-Saharan Africa region amounted to \$892.0 million in 1996, a decline of \$44.3 million (5 percent) from the 1995 level, whereas imports registered a \$171.6 million (25 percent) increase to \$858.2 million. Over the same period, the U.S. trade surplus fell in 1996 by \$215.9 million (86 percent) to \$33.8 million.

Major U.S. agricultural export markets in the region were South Africa (35 percent of total), and Nigeria (20 percent), as shown in the following tabulation:

¹ USITC, *U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, USITC publication 3000, Oct. 1996.

² The agricultural products sector includes meat, poultry, and dairy products; vegetable and fruit products; fats, oils, and oilseed products; cereals (grain); prepared foodstuffs; beverages; tobacco and tobacco products; raw hides, skins, and wool; sugar; and raw cotton.

1996 export markets	Million dollars	Percentage of total
South Africa	307.8	35
Nigeria	177.1	20
Ghana	66.0	7
Ethiopia	36.1	4
Liberia	35.2	4
Others	269.8	30
Total	892.0	100

Grains, and vegetable oils and fats accounted for about three-quarters of the agricultural exports to the region:

1996 leading sector exports	Million dollars	Percentage of total ¹
Wheat and wheat flour	394.2	44
Rice and milled rice	118.9	13
Corn and milled corn	74.1	8
Vegetable oils and fats	64.4	7
Tobacco and cigarettes	42.4	5
Peas, lentils, and dry beans ..	27.1	3
Poultry	26.1	3
Others	144.8	16
Total	892.0	100

¹ Because of rounding, figures may not add to the total shown.

A significant portion of such exports benefited from U.S. export promotion and food assistance programs. Tobacco products, peas, lentils and dry beans, and poultry were also leading exports to the Sub-Saharan region.

The \$44.3 million overall decline in U.S. agricultural exports to the region occurred as exports of corn and milled corn products declined by \$50.3 million (40 percent) from 1995 levels, and exports of vegetable oils and fats by \$24.3 million (27 percent). In contrast, U.S. exports of wheat and wheat flour rose by \$72.1 million (22 percent) as did those of rice and milled rice by \$18.2 million (18 percent), partly offsetting the overall drop in agricultural exports. South Africa, Nigeria, and Ghana were the leading markets for U.S. grain exports.

The leading U.S. agricultural import suppliers in Sub-Saharan Africa were Côte d'Ivoire (34 percent of total) and South Africa (18 percent), as shown below:

1996 import sources	Million dollars	Percentage of total
Côte d'Ivoire	290.4	34
South Africa	153.4	18
Malawi	60.9	7
Kenya	53.4	6
Ghana	40.4	5
Others	259.7	30
Total	858.2	100

Sub-Saharan African countries supplied chiefly tropical products, such as cocoa products, coffee and tea, natural gums and resins, and vanilla beans. Together, these products accounted for 58 percent of U.S. agricultural imports from the region in 1996, as shown in the following tabulation:

1996 leading sector imports	Million dollars	Percentage of total ¹
Cocoa beans and cocoa products	321.8	38
Coffee and tea	113.4	13
Sugar	102.0	12
Tobacco and cigarettes	68.8	8
Fish and shellfish	67.4	8
Natural gums, resins, and vanilla beans	63.0	7
Others	121.8	14
Total	858.2	100

¹ Because of rounding, figures may not add to the total shown.

Although subject to U.S. tariff-rate quotas, sugar and tobacco (20 percent of total) were also major sector imports from the region. Imports of sugar from the region are eligible for duty-free treatment under the GSP program, but imports of most tobacco products are dutiable and not eligible for GSP. Imports of fish, (particularly tuna, fish fillets, and tropical rock lobster) have been rising in importance over the past several years, and supplied 8 percent of 1996 sector imports.

The \$171.6 million rise in U.S. agricultural imports from the region during 1995-96 resulted largely from increased imports of cocoa beans and cocoa products (\$115.0 million or 56 percent), sugar (\$50.2 million or 97 percent), and tobacco (\$32.4 million or 89 percent). Côte d'Ivoire supplied \$121.6 million of agricultural imports in 1996 (a rise of 72 percent from 1995 levels), Malawi about \$24.5 million (67 percent), and South Africa about \$14.5 million (10 percent).

A number of Sub-Saharan Africa countries continued economic reforms and market liberalization. South Africa, Nigeria, Ghana, and Côte d'Ivoire were the leading markets in the region carrying out reforms of their import and domestic agricultural support programs in 1996. South Africa completed a revamping of its agricultural support boards, and the other three countries lowered import barriers and began to reform parastatals operating in the agricultural sector.

Food security concerns on the part of the Sub-Saharan African countries played a prominent role in U.S. trade and multilateral relationships with that region in 1996. Over the past several years, a substantial proportion of U.S. agricultural exports to the region received U.S. Government assistance (as

have food exports from their governments). Partly related to record low world stocks and high world prices of grain, as well as to the continuing fiscal deficits in developed countries and to lower agricultural export subsidies, world food aid to food-deficit countries continued a sharp decline in 1996.³ The World Food Summit held in Rome in 1996 under the United Nations (UN) Food and Agriculture Organization (FAO) focused on the concerns of many African and other developing countries in the Group of 77 (G-77).⁴ The participating countries, including the United States, agreed to a *Political Declaration and Plan of Action* that called for the recognition of human rights to food, and included a pledge by the participants to carry out efforts to reduce by half the estimated 800 million malnourished people in the world by the year 2015.⁵

URA Developments Affecting Sector Trade and Investment

Tariff Changes

The dutiable share of U.S. imports of agricultural products from Sub-Saharan Africa rose from 13 percent (\$86.7 million) to 14 percent (\$122.3 million) during 1995-96, owing largely to a rise in imports of tobacco products, which are generally dutiable. About 88 percent of the \$10.8 million in duties collected on U.S. imports of agricultural products from the region in 1996 were levied on tobacco products. For leading Sub-Saharan African suppliers, the share of U.S. agricultural imports subject to duties ranged from less than 0.1 percent for Ghana to 78 percent for Malawi. Similarly, the U.S. average trade-weighted tariff (ATWT) for imports of agricultural products from the Sub-Saharan African region was 8.8 percent *ad valorem* equivalent (AVE) in 1996, up from 8.2 percent AVE in the previous year. The ATWT applied to leading suppliers of U.S. agricultural imports from the region in 1996 is shown in the following tabulation:

1996 import source	Percent AVE
Côte d'Ivoire	5.9
South Africa	3.6
Malawi	11.7
Kenya	1.0
Ghana	6.8
Regional average	8.8

Under the URA, Sub-Saharan African countries which are LLDCs were required to bind their agricultural tariffs in 1995, but not to make further reductions. The other countries in the region have committed to significantly reduced tariffs over varying periods. The most liberalized tariff-reduction commitments in agriculture were made by South Africa, Namibia, and Swaziland, followed by Côte d'Ivoire, Zimbabwe, and Ghana.

Among the important market countries in the region, South Africa and Nigeria continued to reduce import barriers in 1996. By 1996, South Africa met most of the sector requirements of the URA, and was completing significant reforms of its agricultural marketing boards and controls. The 1996 Agricultural Marketing Bill eliminated or reduced 15 marketing boards, and eliminated the Maize Board's monopoly over the corn trade.⁶ Import quotas on corn were replaced with tariffs, a zero rate of duty actually being applied in late 1996. However, South African corn exports are still subject to quantitative limits, and import permits are required for most foodstuffs entering South Africa.⁷

Similarly, the South African Government has reduced its agricultural support expenditures. Subsidies for agricultural exports under the General Export Incentive Scheme (GEIS) were reduced sharply throughout 1996, and eliminated by the end of the year.⁸ In the past, agricultural products, such as chilled meat, chilled fruit, canned fruit, wine, and packaged dried fruit benefitted from the program.⁹

Nigeria, another important market for U.S. agricultural products also lowered some barriers to U.S. exports in 1996. Reduced duties or port charges were accorded to wheat and rice, the two leading U.S. agricultural exports.¹⁰ In January 1997, overall

³ General Accounting Office (GAO), *Food Security: Preparations for the 1996 World Food Summit*, Nov. 1996, p. 3.

⁴ G-77 countries are a group of developing countries that began with a joint statement in 1964 articulating members' collective interests in promotion of economic cooperation among developing countries and in negotiating economic matters with developed countries. G-77 membership currently extends to over 125 countries.

⁵ "Food Security: Agreement on Draft Declaration for Food Summit," *AgraEurope*, AgraNet Issue No. 44, Nov. 7, 1996; and Charles Truehart, "Food Summit Paints Picture of Crisis," *Washington Post*, Nov. 14, 1996, p. A-23.

⁶ U.S. Department of Agriculture (USDA), "Agriculture Situation, South Africa," prepared by U.S. Embassy, Pretoria, Nov. 1, 1996, p. 14.

⁷ U.S. Department of State cable, "South Africa: 1997 Draft National Trade Estimate Report," message reference No. 061142Z, Feb. 6, 1997, p. 2.

⁸ USDA, "Agricultural Situation, South Africa," p. 16.
⁹ "Announcement by Mr. G. J. J. Breyll, Acting Director-General, Department of Trade and Industry, Republic of South Africa," media release, Sept. 15, 1994.

¹⁰ USDA, "Grain and Feed Annual," prepared by U.S. Embassy, Lagos, Apr. 16, 1997, p. 1; and U.S. Dept. of State cable, "Nigeria - 1997 NTE Report," message reference No. 311603Z, Jan. 3, 1997, pp. 1-2.

Nigerian tariffs were reduced through a duty rebate of 25 percent. However, in 1996, Nigeria still imposed a ban on corn imports, a 50-percent *ad valorem* duty on rice, and a 10 percent duty on wheat. Moreover in 1996, port charges were reduced by 60 percent at Lagos and by 70 percent at the other Nigerian Delta ports.

Other URA Developments

In 1996, the United States adjusted its tariff-rate quotas on imports of sugar and tobacco, the third- and fourth-leading agricultural imports from the region. Allocations of the in-quota quantity for sugar during FYs 1996 and 1997¹¹ were held by regional trading partners Congo, Côte d'Ivoire, Gabon, Madagascar, Malawi, Mauritius, Mozambique, South Africa, Swaziland, and Zimbabwe.¹² Allocations for these countries during FY 1997 totaled 203,505 metric tons (mt), raw value, or 10 percent of the global allocation. South Africa held the largest allocation (23 percent of the Sub-Saharan African total), followed by Swaziland (16 percent), and Mozambique (13 percent). The total sugar import allocation in FY 1997 for the region was reduced by 17,259 mt (8 percent) from the 220,764 mt permitted in FY 1996.¹³

The U.S. tariff-rate quota on imports of leaf tobacco amounted to 151,000 mt during September 1996 to September 1997, about the same level as the 150,450 mt quota in the prior quota year 1995/96.¹⁴ Within-quota imports enter at a lower tariff (11.9 percent AVE in 1996) and above-quota imports in 1996/97 are subject to a 350-percent AVE duty.¹⁵ Zimbabwe and Malawi were each allotted 12,000 mt of leaf tobacco to be entered at the lower tariff rate. U.S. imports for consumption of leaf tobacco from Malawi in 1996 amounted to 13,063 mt, and from Zimbabwe, 724 mt;¹⁶ thus Zimbabwe did not fill its allotted quota amount.

¹¹ Quotas are allocated on an October 1 - September 30 basis.

¹² World Wide Web, retrieved June 23, 1997, <http://www.ustr.gov/releases>, Office of the U.S. Trade Representative (USTR), "USTR Announces Allocation of the 200,000 Metric Ton Increase in the Amount Available under the Raw Cane Sugar Tariff-Rate Quota," press release 97-43, May 12, 1997.

¹³ In 1996, there were also 150 mt of above-quota sugar imports from the region, down from 279 mt in 1995.

¹⁴ USDA, Economic Research Service (ERS), *Tobacco Situation and Outlook Report*, Apr. 1997, p. 9.

¹⁵ Above-quota imports of tobacco from the region amounted to 130 mt in 1996, down from 196 mt in 1995.

¹⁶ USDA, ERS, *Tobacco Situation and Outlook Report*, p. 12.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

Generalized System of Preference

About three-quarters of the \$123.1 million of imports under the U.S. GSP were from four countries in the region in 1996: South Africa, Zimbabwe, Mozambique, and Mauritius. GSP sector imports from the region rose \$41.6 million (51 percent) above the 1995 level. U.S. imports of agricultural products under the GSP from the leading Sub-Saharan Africa countries in 1996 are shown below:

1996 GSP import sources	Million dollars	Percentage of total
South Africa	49.6	40
Zimbabwe	16.7	14
Mozambique	12.4	10
Mauritius	11.5	9
Côte d'Ivoire	8.7	7
Others	24.2	20
Total	123.1	100

Sugar was, by far, the dominant agricultural item imported under the GSP from the Sub-Saharan African region in 1996, accounting for 78 percent (\$96.3 million) of the regional total. The only other major GSP commodity was cocoa paste (\$7.8 million or 6 percent). The share of total U.S. agricultural imports from the region that were GSP imports was 14 percent in 1996, up from the 12-percent share in 1995.

Of the five leading sector countries shipping under the GSP, South Africa supplied 40 percent of the total in 1996; Zimbabwe, 14 percent; Mozambique, 10 percent; and Mauritius, 9 percent. GSP imports from South Africa rose by \$25.1 million (102 percent) from the 1995 level, and imports from Zimbabwe and Mauritius also experienced sharp increases in 1996.

In addition to the GSP program, numerous domestic programs affect agricultural trade and investment between the United States and Sub-Saharan Africa. Most of these programs are administered by the U.S. Department of Agriculture (USDA) to facilitate U.S. agricultural exports. But there are also other food-assistance programs operated both by USDA and by the U.S. Agency for International Development (USAID). Expenditures for various U.S. programs affecting agricultural trade and investment with respect to Sub-Saharan Africa in 1996 is shown in the following tabulation:

1996 U.S. trade and investment programs	Million dollars
Export Credit Guarantee Program (GSM-102)	35.8
Export Enhancement Program .....	.0
Dairy Export Enhancement Program	1.9
Market Access Program	0.4
Foreign Market Development	1.2
Emerging Markets Program	0.4
Food Assistance	456.0
International Cooperation and Development Agency	0.2

Sources: Compiled from official data of the U.S. Department of Commerce (USDOC) and USDA.

Export Programs

Direct U.S. export and food assistance programs together provided \$493.7 million in FY 1996 for funding U.S. agricultural exports to Sub-Saharan Africa. The USDA export programs include the Export Enhancement Program (EEP),¹⁷ the Export Credit Guarantee Program (GSM-102),¹⁸ and the Dairy Export Enhancement Program (DEIP). No exports occurred under the EEP to any country of the world since July 1995.¹⁹ U.S. exports of agricultural products to Sub-Saharan Africa under the GSM-102 in FY 1996 totaled \$35.8 million, a 12-percent increase above the level in FY 1995.²⁰ The principal commodities exported under GSM included soybeans, grain (corn, wheat, and rice), and poultry meat. Bonus awards under the DEIP during FY 1996 totaled \$1.9 million; the leading commodity exported to the region under this program was nonfat dry milk, with smaller quantities of whole milk powder, butter, and anhydrous milkfat. Sub-Saharan Africa accounted for a relatively small share of total worldwide DEIP bonus awards (less than 2 percent in most years).

¹⁷ The program provides cash bonuses to allow U.S. exporters to sell U.S. agricultural products in targeted countries at prices below cost in order to challenge unfair trade practices, encourage negotiations to eliminate these practices, and to expand U.S. agricultural exports. *Ibid.*

¹⁸ The GSM-102 program provides short-term credit guarantees for financing terms of up to 3 years. Longer-term credit guarantees (3-10 years) are provided by the GSM-103 program; no U.S. exports of agricultural products to Sub-Saharan Africa were made under GSM-103 in FY 1995 and FY 1996.

¹⁹ In FY 1995, EEP bonus awards for agricultural product exports to Sub-Saharan Africa amounted to \$33 million. USDA made the administrative decision not to grant EEP bonuses as of July 1995, in part, because of the high world prices, short U.S. supplies, excellent world export markets for U.S. products, and the decision of the EU to reduce or halt its own export subsidies. Official of the USDA, ERS telephone interview by USITC staff, July 3, 1997.

²⁰ Data of the USDA, Foreign Agricultural Service (FAS), received by facsimile, July 14, 1997.

Market development programs²¹

The USDA Market Access Program (MAP) funding in Sub-Saharan Africa totaled \$0.4 million in FY 1996, and the Foreign Market Development (FMD) program, \$1.2 million. As in previous years, South Africa was the major beneficiary of U.S. agricultural market development programs in Sub-Saharan Africa during FY 1996, accounting for 56 percent of FMD spending and 84 percent of MAP spending. High shares reflect South Africa's relatively high-income level and large consumer market for higher-priced, value-added products. Within the region, the Emerging Markets Program (EMP) spent \$0.4 million chiefly in South Africa in 1996, a focus also consistent with that country's large market potential.

USDA International Cooperation and Development programs in the region entailed collaborative research grants, scientific exchanges, and fellowships for agricultural education and research study. In FY 1996, these funds totaled slightly below \$0.2 million in the region, with about half expended in South Africa, and a quarter each in Ethiopia and Kenya.

Food assistance

U.S. food assistance under Titles I, II, and III of the Food for Peace Program (Public Law 480)²² to Sub-Saharan Africa countries totaled \$456.0 million in FY 1996,²³ which was 18 percent (\$99.4 million) below the FY 1995 level and 28 percent (\$177.0 million) below the FY 1994 level. Sub-Saharan Africa accounted for 38 percent of the \$1.2 billion of U.S. food assistance to all countries of the world under these programs in FY 1996, down from the 44-percent share in FY 1995. Two-thirds of this food aid went to four countries in the region in FY 1996: Rwanda (25 percent of the total), Ethiopia (15 percent), Liberia (15 percent), and Angola (12 percent). Principal commodities donated were grains and milled grains (wheat, rice and corn), pulses (dry beans, peas and lentils), and vegetable oil. Food donations under Title II of Public Law 480 accounted for 88 percent of total food assistance in FY 1996 to

²¹ *Ibid.*

²² The Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 68 Stat. 454. Title I, administered by USDA, provides for sales of U.S. agricultural commodities using long-term concessional credit. Title II is the primary U.S. foreign food donation component and can be used for development projects or emergency feeding. Title III provides grants for development activities on a government-to-government basis and normally include policy reform conditions and frequently generate local currencies for development projects. Titles II and III are administered by the USAID.

²³ Data of the USDA, ERS, provided by facsimile, July 3, 1997.

the region, followed by those under Title III (6 percent) and Title I (5 percent). Angola, Côte d'Ivoire, and Congo were the recipients under Title I; Rwanda, Ethiopia, Sierra Leone, Liberia, and Angola the recipients under Title II; and Ethiopia the only recipient under Title III.

Food security issues and World Food Summit

Many Sub-Saharan African countries expressed concerns at the 1996 World Food Summit and to the WTO Committee on Agriculture about the effects of developed-country agricultural production and export policies, and of the high world grain prices reducing the ability of Sub-Saharan African countries to import food. In June 1996, the USDA stated that the 1996 U.S. "farm bill"²⁴ maintained the U.S. commitment to remain a major food-aid donor, and improved its ability to adjust food aid to respond to individual recipient's needs and conditions.²⁵ Moreover, in crop year 1996/97, the United States exceeded its commitment of grain aid under the Food Aid Convention (FAC).²⁶ Nevertheless, in February 1997, USDA acknowledged that food aid from the United States and other donors to Sub-Saharan Africa was not sufficient to maintain existing per-capita consumption levels in Sub-Saharan Africa in crop year 1996/97.²⁷

The URA market reforms, along with budgetary cuts induced by fiscal deficits in the United States, the EU, and the other leading grain exporters (and the effects of the much tighter world grain supplies during 1994-96), reduced food-aid shipments to the Sub-Saharan African countries and elsewhere. Global food-aid shipments of grain from all grain donors peaked at 15.0 million metric tons (mmt) in 1992/93, and then declined to 9.3 mmt in 1994/95 and to a projected 7.7 mmt in 1995/96.²⁸ U.S. grain food-aid contributions similarly peaked at 8.4 mmt in 1994/95, and declined to 2.9 mmt in 1995/96. Sub-Saharan Africa had about 22 percent of the world's population in 1995/96 but received about 38 percent of the food aid.²⁹

²⁴ The "farm bill" is the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127, 7 U.S.C. 7201 et seq.), signed into law on April 4, 1996.

²⁵ U.S. Dept. of State cable, "Farm Bill: Implications for Trade and Aid," message reference No. 129256, prepared by U.S. Dept. of State, Washington, DC, June 21, 1996.

²⁶ The U.S. commitment for the FAC was 2.5 million metric tons in 1996/97. USDA, ERS, *Food Aid Needs Assessment: Situation and Outlook Series*, Nov. 1996, p. 7.

²⁷ USDA, *Agricultural Baseline Projections to 2005, Reflecting the 1996 Farm Act*, Feb. 1997, p. 80.

²⁸ USDA, ERS, *Food Aid Needs Assessment*, p. 7.

²⁹ *Ibid.*, p. 12.

Owing to reduced U.S. food-aid budgets and the much higher grain prices, the U.S. Secretary of Agriculture took special measures authorized under the 1996 U.S. farm bill to release 0.9 mmt of corn for food aid during 1996. The President gave a special authorization allowed under the farm bill to release 1.5 mmt of wheat from the Food Security Reserve to meet the 2.9 mmt level of U.S. food aid shipments in 1995/96.³⁰

In 1996, the Sub-Saharan African and other food-importing countries urged the WTO Committee on Agriculture to invoke the Marrakesh Decision on their food-security concerns.³¹ The WTO Committee on Agriculture in October 1996 rejected the position of many Sub-Saharan African countries and other net food-importing developing countries that the URA resulted in greater food insecurity, thereby requiring that the Marrakesh Decision to be included for discussion at the Singapore Ministerial Conference held later that year.³² The WTO Committee on Agriculture indicated that member countries should encourage international financial institutions, such as the IMF, to assist the short-term difficulties of financing food imports, but did not recommend greater direct food aid by donor countries.

At the World Food Summit in November 1996, the U.S. Secretary of Agriculture elaborated upon the U.S. position on the world food security issue, and indicated U.S. support for the *Rome Declaration and Plan of Action*.³³ The *Rome Declaration* contained seven broad commitments involving the environment, poverty issues, sustainable agricultural practices, food and agricultural trade, disaster and emergency relief, investment policies, and international cooperation.³⁴

Despite adoption of the *Rome Plan of Action*, considerable differences separated the United States and other grain exporters from the G-77 countries. Differences extended into all key policy areas: the

³⁰ *Ibid.*, p. 7.

³¹ The Marrakesh Decision in 1994 attempted to address the food-security concerns of food-deficit countries under the URA framework to ensure that market reforms (including the reduction of export subsidies for grain and other foods) did not adversely affect the availability of food aid to meet the needs of developing, especially least-developed, and net food-importing countries. GAO, *Food Security*, p. 8.

³² WTO, *Report by the Committee on Agriculture on the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net Food-Importing Developing Countries*, Singapore Ministerial Conference, Oct. 24, 1996. See also, Institute for Agriculture and Trade Policy, "WTO Refuses Request of Developing Countries," *Trade News*, Nov. 27, 1996, p. 3.

³³ USDA, "Remarks of Secretary of Agriculture Dan Glickman on Behalf of the United States of America to the World Food Summit Rome, Italy," USDA press release No. 0603.96, Nov. 13, 1996.

³⁴ GAO, *Food Security*, pp. 26-27.

fundamental right to be free from hunger, good governance and markets, environmental protection, population stabilization, resource commitments, target dates for achieving food security, trade liberalization, and application of the Marrakesh Decision to current world grain markets and supply conditions.³⁵

Policy Developments in Sub-Saharan Africa

Food security continues to be an important policy matter for most Sub-Saharan African countries. Sub-Saharan Africa is the only region of the world where the proportion of undernourished people has increased rather than decreased over the past several years.³⁶ Of the region's 36 countries monitored by the USDA, 32 countries presently or within the next 2 years will need food aid even under optimistic assumptions for harvest conditions.³⁷

Fortunately, at a time of reduced food aid from grain-exporting countries, several Sub-Saharan African countries benefited from record or at least good harvests, owing to favorable weather (particularly in South Africa and Nigeria), and an end to civil war (Mozambique and Ethiopia).³⁸ Ethiopia had a record harvest in 1995/96 and, along with Eritrea, is expected to have a good harvest in 1996/97. Angola and Mozambique grew considerably more grain with the cessation of warfare. Several countries, Côte d'Ivoire and Nigeria in particular, lowered their import barriers to grain, which aided the flow of grain to these food-deficit countries.

"Status quo" food-aid needs³⁹ in Sub-Saharan Africa are likely to reach 3.4 mmt in 1996/97, despite a projected 3.5 mmt rise in grain production in the region. Commercial imports into the region rose from 6.5 mmt to 7.3 mmt during 1994/95 to 1995/96, due to a poor harvest in Southern African countries, but also a result of lower grain-import barriers. Food-aid needs are still greatest in countries with civil strife, such as Rwanda, Liberia, Sierra Leone, Burundi, and Zaire, among others. Among the three sub-regions, Southern African food-aid needs fell from 3.0 mmt in 1995/96 to 0.4 mmt in 1996/97; and East African

needs from 3.0 mmt to 1.5 mmt in 1996/97. Meanwhile, West African needs remained at 1.3 mmt.⁴⁰

Many Sub-Saharan Africa countries changed policy measures in 1996 that affected agricultural trade, but the following discussion focuses on policy developments in four leading U.S. agricultural trade partners in Sub-Saharan Africa: Côte d'Ivoire, Ghana, Nigeria, and South Africa.

Côte d'Ivoire

Côte d'Ivoire agricultural production expanded rapidly in 1996, owing to generally favorable growing conditions and higher world market prices for its leading export products of cocoa beans, coffee, and cotton.⁴¹ The Government continued its privatization of parastatals in the palm oil and rubber industries, and in 1996 announced the privatization of the parastatal cotton company Compagnie Ivoirienne pour le Développement des Textiles (CIDT).

Similar to Ghana, nontraditional agricultural Côte d'Ivoire exports of tuna, pineapple, and bananas rose sharply in 1996.⁴² These exports were sold mainly to the EU, aided partly by the Lomé duty preference that Ivoirian exports receive.

With regard to imports into Côte d'Ivoire, wheat flour import controls were eliminated in 1996 and a substitute 30-percent duty imposed; wheat import tariffs remained relatively low at 5 percent.⁴³ Substitution of duties in place of licencing were also planned for rice imports. However, in 1996, the Government suspended all rice imports and then set in place a tariff-rate quota to protect domestic rice growers, effectively blocking virtually all imports.⁴⁴

Ghana

In 1996, Ghana continued its agricultural policy of increasing the role of the private sector, and pursued a demand-driven national agricultural strategy. Privatization in 1995 of the Ghana Food and Distribution Corporation that had controlled the marketing of cereals and staple foods tended to reduce import costs of grain and other foods in Ghana.⁴⁵ Ghana imposed a 15 percent *ad valorem* duty on agricultural imports in 1996.⁴⁶

³⁵ Ibid.

³⁶ UN, "Africa Pursues Goal of Food Security," *African Recovery*, vol. 10, No. 3, Dec. 1996, p. 6.

³⁷ USDA, ERS, *Food Aid Needs Assessment*, p. 25.

³⁸ Ibid., p. 16.

³⁹ USDA defines "food aid needs" as the amount of grain needed to fill the gap between the sum of production and commercial import capacity and two consumption levels—a "status quo" maintenance of consumption at the past average 5-year level, and "nutritional requirement" consumption based on achieving a minimum nutritional standard for the entire population.

⁴⁰ USDA, ERS, *Food Aid Needs Assessment*, p. 3.

⁴¹ USDA, "Agricultural Situation Report," prepared by U.S. Embassy, Abidjan, Sept. 30, 1996, p. 1.

⁴² USITC staff trip notes to Côte d'Ivoire, May 31 to June 6, 1997.

⁴³ USDA, "Agricultural Situation Report," Abidjan, p. 1.

⁴⁴ Ibid., p. 5.

⁴⁵ USDA, "Agricultural Situation Report-Ghana," prepared by U.S. Embassy, Lagos, Sept. 30, 1995.

⁴⁶ USDA, "Grain and Feed Annual," Lagos, p. 22.

One of the world's leading cocoa bean exporters, Ghana benefitted from favorable world prices in 1996.⁴⁷ Ghana's other agricultural exports of coffee, cocoa butter, cocoa powder, frozen fish, fresh pineapple, and other tropical fruits and yams continued to do well in 1996, with about two-thirds sold to the EU, 17 percent to ECOWAS members, and about 6 percent to the United States.⁴⁸ Over the past 2 years, a U.S. multinational company has invested in a tuna canning plant in Ghana, with its output both sold domestically and exported to the EU.⁴⁹ Fresh-pineapple exports to the EU, mostly by air freight, and tuna exports to the EU and the United States have grown over recent years.⁵⁰ Despite its sizable tropical product exports, Ghana is a food-deficit country, and imported about 500,000 mt of grain and other agricultural commodities (mainly wheat, rice, corn, powdered milk, frozen beef, and frozen poultry) in 1996.

Nigeria

The lifting in 1995 of Nigeria's import prohibitions on many commodities provided a good market opportunity for U.S. exports of rice and wheat in 1996 to Africa's most populated country, although Nigeria continued to ban imports of corn.⁵¹ Nigerian grain production rose in 1996, aided by favorable weather, but the country remained a net importer of wheat and rice.

Nigeria imposed a 10 percent *ad valorem* duty on wheat imports in 1996, but granted a duty rebate of 35 percent of the actual duties paid; in 1997, the duty rebate will be reduced to 25 percent.⁵² Virtually all imports of wheat are supplied by the United States. Nigeria imported 0.7 mmt of U.S. wheat in 1996, but the USDA anticipates a potential market of 1.5 mmt as bakeries and wheat mills modernize and consumption of bread and other baked goods rises. U.S. wheat trade groups have provided technical assistance to aid modernization of the milling and baking sectors in Nigeria in 1996.

U.S. rice has enjoyed a reputation for high quality in the Nigerian market for many decades although cheaper Asian rice dominates Nigeria's imports. U.S. exports of rice to Nigeria consisted mostly of

⁴⁷ Cocoa beans and cocoa product exports generated about one-quarter of the \$1.5 billion in Nigerian merchandise exports in 1995 (the latest year for which data are available). USDA, "Agricultural Situation Report-Ghana," p. 25.

⁴⁸ USDA, "Grain and Feed Annual," Lagos, p. 4.

⁴⁹ USITC staff trip notes to Ghana, June 6-14, 1997.

⁵⁰ *Ibid.*

⁵¹ USDA, "Grain and Feed Annual," prepared by U.S. Embassy, Lagos, April 16, 1997, p. 1.

⁵² *Ibid.*, p. 4. This means an importer received \$3.50 for every \$10.00 of duty paid in 1996.

parboiled, milled rice, which amounted to 70,000 mt or about one-fifth of total Nigerian rice imports of 350,000 mt in 1996.⁵³ Nigeria reduced the import duty on rice to 50 percent *ad valorem* in 1996, and provided importers with a duty rebate of 35 percent of duties paid.

South Africa

South Africa's agricultural policy of self-sufficiency has been mostly eliminated, along with policy measures on price incentives, input subsidies to producers, state trading enterprises to control the marketing of farm production, and high import tariffs and other barriers. The South African Maize Board was scheduled to close in April 1997, and the Wheat Board in October 1997, although both boards have a year to end outstanding commercial transactions.⁵⁴ Although a leading world exporter of corn in most years, South Africa imported U.S. corn during years of domestic crop shortfalls, such as in 1995 when it imported 350,000 mt of U.S. corn. With an excellent corn crop in 1996, its imports of U.S. corn fell to 50,000 mt.⁵⁵ Similarly, South Africa is self-sufficient in wheat production in most years; it imported 325,000 mt of wheat in 1995, but only 20,000 mt in 1996 as its output recovered from adverse growing conditions.⁵⁶

Multilateral Lending

Multilateral lending that could affect U.S. trade and investment in the Sub-Saharan Africa agricultural sector included project financing and other credits extended by the World Bank and the African Development Bank (AfDB). The World Bank, mainly through the International Development Association (IDA), provided \$328 million in loans to the agriculture sector in Sub-Saharan Africa in FY 1996.⁵⁷ The World Bank funded projects in Central African Republic, Chad, Côte d'Ivoire, Ethiopia, Ghana, Madagascar, Mali, Senegal, and Zambia. No new agricultural financing was provided to Sub-Saharan Africa countries through the AfDB in 1996.⁵⁸

⁵³ *Ibid.*, pp. 8-9.

⁵⁴ USDA, "Grain and Feed Annual," prepared by U.S. Embassy, Pretoria, Feb. 24, 1997, p. 1.

⁵⁵ *Ibid.*, p. 2.

⁵⁶ *Ibid.*, p. 10.

⁵⁷ The World Bank, *The World Bank Annual Report 1996*, (Washington, DC, The World Bank, 1996).

⁵⁸ AfDB, *Compendium of Statistics 1996*, (Abidjan, Côte d'Ivoire, AfDB, 1996); and data received from the AfDB, July 9, 1997.

Forest Products⁵⁹

Overview

Total U.S. trade in forest products with Sub-Saharan Africa declined in 1996 by \$18.7 million (6 percent) compared with 1995 levels. U.S. exports of forest products totaled \$204.2 million, a decline of \$31.7 million (13 percent) from the 1995 level, and U.S. sector imports were valued at \$113.8 million, an increase of \$12.9 million (13 percent). The United States registered a trade surplus in forest products of \$90.4 million in 1996, \$44.6 million (33 percent) less than in 1995.

About 78 percent of all U.S. exports of forest products to Sub-Saharan Africa in 1996 were destined for South Africa. Five Sub-Saharan countries accounted for 92 percent of U.S. sector exports; the top 10 countries accounted for 97 percent. The top five markets and the value of U.S. sector exports in 1996 are depicted below:

1996 export markets	Million dollars	Percentage of total ¹
South Africa	159.4	78
Côte d'Ivoire	10.7	5
Nigeria	8.2	4
Zambia	6.5	3
Ghana	3.0	1
Others	16.4	8
Total	204.2	100

¹ Because of rounding, figures may not add to the total shown.

U.S. sector exports to South Africa increased by \$11.5 million (8 percent) between 1995 and 1996. However, exports to the next three markets declined in 1996 from the exceptionally high level of exports registered in 1995. No specific commodity or commodities disproportionately accounted for the decline in U.S. forest products exports to Sub-Saharan African markets.

In 1996, \$120.4 million (nearly 60 percent) of all U.S. forest products exports to Sub-Saharan Africa consisted of paper/paperboard and \$43.8 million (over 20 percent) consisted of printed matter. Over three-quarters (\$94.4 million) of the paper/paperboard exports to Sub-Saharan Africa were estimated to be packaging papers. Furthermore, \$49.9 million of solid

⁵⁹ Forest products include wood, cork, straw, pulp, waste paper, paper and/or paperboard, converted paper products, and printed matter.

⁶⁰ Solid bleached sulfate board is a premium paperboard grade used in folding cartons, milk cartons, other containers, and food-service stock where superior folding, scoring, and printing characteristics are required.

bleached sulfate board⁶⁰ and \$26.5 million of kraft linerboard⁶¹ dominated U.S. exports of packaging papers to the region. South Africa was the recipient of nearly all U.S. solid bleached sulfate board exports and slightly over half of all U.S. kraft linerboard exports in 1996. South Africa also received \$26.5 million (61 percent) of the U.S. printed-matter exports to the region. The United States also exported \$28.4 million of solid wood products to Sub-Saharan Africa in 1996, with \$19.8 million (70 percent) being lumber to South Africa. Sub-Saharan Africa's per-capita consumption of all types of paper was about 5 kilograms (kg) per year. South Africa leads Sub-Saharan Africa with a per-capita consumption of about 43 kg per year in 1996.⁶² Potential for U.S. forest product export growth is dependent on increases in the region's overall per-capita paper consumption.

South Africa accounted for 62 percent of all U.S. forest products imports from Sub-Saharan African countries. The top 5 countries accounted for 86 percent, and the top 10 countries accounted for 97 percent, of all sector products from the region. The top five sources and the value of U.S. imports are depicted below:

1996 import sources	Million dollars	Percentage of total ¹
South Africa	70.2	62
Ghana	10.7	9
Côte d'Ivoire	7.6	7
Zimbabwe	5.4	5
Congo	4.5	4
Others	15.4	14
Total	113.8	100

¹ Because of rounding, figures may not add to the total shown.

The \$12.9 million increase in U.S. imports of forest products from Sub-Saharan Africa was not disproportionately from any particular country nor distributed in any particular commodity area. The major U.S. sector imports from Sub-Saharan Africa included high-grade chemical wood pulps (\$50.4 million or 44 percent), tropical hardwood veneer (\$16.6 million or 15 percent), and African mahogany lumber (14.1 million or 12 percent). High-grade pulp originates exclusively from South Africa. South Africa has 20 paper mills and 9 pulp mills,⁶³ owned

⁶¹ Kraft linerboard is the strong exterior facing material used in corrugated shipping containers.

⁶² For comparison purposes, per-capita paper consumption in the United States, Western Europe, and Latin America was at 332 kg, 172 kg, and 31 kg, respectively, in 1996.

⁶³ For comparison purposes, the United States has 537 paper mills and 190 pulp mills operated by scores of companies.

primarily by two globally competitive companies.⁶⁴ In the remainder of the region, there are only 26 paper mills and 14 pulp mills.⁶⁵ The leading supplier of African mahogany lumber is Ghana. The leading suppliers of tropical hardwood veneer are Côte d'Ivoire, Congo, and Ghana.

Traditionally, South African forest product exports were sent to Asian markets, whereas the small amount of other sector exports from other Sub-Saharan African countries were sent to Europe. The prominent South African sectors exports are pulp, wood chips, and paper.⁶⁶ South African forest plantations are divided evenly between pine and eucalyptus, and are primarily held in private ownership.⁶⁷

Policy developments within Sub-Saharan Africa appeared geared toward resource conservation as well as trade liberalization. Nevertheless, the effect of these policies on U.S.-Sub-Saharan African trade is likely to be insignificant.

URA Developments Affecting Sector Trade and Investment

Tariff Changes

Dutiable U.S. sector imports from Sub-Saharan Africa represented 2 percent of all forest products imports from the region. Dutiable imports increased \$327,496 (16 percent) to \$2.3 million in 1996. This increase is in proportion to the total import rise. The U.S. ATWT on forest product imports from Sub-Saharan Africa into the United States fell from 4.8 percent AVE in 1995 to 4.3 percent AVE in 1996. The main dutiable item imported by the United States in 1996 consisted of wicker luggage and handbags valued at \$1.0 million from Madagascar. In 1996, the AVE rate of duty on wicker luggage was 5.3 percent.

Other URA Developments

No other URA provisions in 1996 were identified to have significant effects on U.S.-Sub-Saharan Africa trade in the forest products sector.

⁶⁴ The two large South African paper conglomerates are Mondi Ltd. and Sappi Ltd.

⁶⁵ Derived from data in *Pulp and Paper International, Annual Review*, July 1996.

⁶⁶ USITC staff notes from the Third International Pulp and Paper Symposium, Seattle, WA, Sept. 1994.

⁶⁷ Ibid.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

In 1996, U.S. GSP imports of forest products from Sub-Saharan Africa were \$12.8 million (11 percent) of sector imports from the region. This was a decrease of \$572,000 (4 percent) from GSP imports in 1995. South Africa, Zimbabwe, Kenya, Madagascar, and Ghana were the major sources of U.S. sector GSP imports and accounted for 93 percent of such imports. The value of these imports is shown below:

1996 GSP import sources	Million dollars	Percentage of total¹
South Africa	4.5	35
Zimbabwe	3.2	25
Kenya	2.0	16
Madagascar	1.6	13
Ghana	0.6	5
Others	0.9	7
Total	12.8	100

¹ Because of rounding, figures may not add to the total shown.

Except for those products from South Africa, sector imports under GSP were not diversified within any country. For example, 1996 GSP imports from Zimbabwe were primarily pine moldings. From Kenya and Ghana, imports were primarily wooden ornaments, while GSP products from Madagascar were primarily plaiting materials. GSP country status and item coverage for Sub-Saharan Africa did not change between 1995 and 1996 and had no effect on trade.

Policy Developments in Sub-Saharan Africa

South Africa

South Africa instituted tariff reductions that should bring most tariffs on paper/paperboard to 10 percent *ad valorem* by year 2000 and to 5 percent by year 2005.⁶⁸

Côte d'Ivoire

In 1995, the Government of Côte d'Ivoire instituted an export ban on logs, planks, and

⁶⁸ These South African tariff reductions were instituted in 1995. See USTR, "South Africa," 1997 *National Trade Estimate Report on Foreign Trade Barriers*.

scantlings with the aim of reducing over-exploitation of its forest resources and aiding the development of local, value-added wood-processing industries. This ban was still in effect in 1996.⁶⁹ Imports of these items were duty-free prior to the implementation of GSP, and therefore, the ban on these items did not influence GSP trade.

International Tropical Timber Organization

Seven Sub-Saharan African countries are members of the International Tropical Timber Organization (ITTO).⁷⁰ One of the major goals of the ITTO is to promote a framework for cooperation and consultation between tropical timber-producing and timber-consuming member countries. At an ITTO meeting in January 1997, many ITTO producing members expressed concern with the United States proposal to classify Big-leaf Mahogany as an endangered species. If this were enacted, trade in Big-leaf Mahogany, as well as trade in many other tropical hardwood species, could be negatively affected.⁷¹

Chemicals and Related Products⁷²

Overview

In 1996, the United States remained a major world producer and exporter of chemicals and related products, but its positive balance of trade with

⁶⁹ Approximately 240,000 cubic meters of logs were exported to the world before this ban took effect. The United States was a very small importer of logs from Côte d'Ivoire before the ban.

⁷⁰ These tropical hardwood-producing countries are Ghana, Côte d'Ivoire, Cameroon, Congo, Gabon, Liberia, and the Central African Republic.

⁷¹ At a June 1997 ITTO meeting, a compromise position between the United States and the mahogany-producing countries appears to have been achieved.

⁷² Chemicals and related products, for the purpose of this sectoral write-up are grouped into six categories: (1) primary aromatic chemicals and olefins (major primary olefins, other olefins, and primary aromatics); (2) agricultural chemicals (fertilizers and pesticides); (3) miscellaneous finished chemical products (paints, inks and related items, synthetic organic pigments, synthetic dyes and couplers, synthetic tanning agents, synthetic tanning and dyeing materials, photographic chemicals, adhesives and glues, perfumes, cosmetics and toiletries, soaps, detergents, surface-active agents, explosives, and propellant powders); (4) pharmaceuticals (antibiotics and

Sub-Saharan Africa decreased. U.S. exports of chemicals and related products to the region totaled \$687.2 million, a decrease of \$18.5 million (3 percent) from 1995 levels; whereas U.S. imports of these products were valued at \$418.3 million, an increase of \$191.5 million (84 percent). The U.S. trade surplus in chemicals and related products decreased from \$478.9 million in 1995 to \$268.9 million in 1996. Still, the Sub-Saharan African countries are minor trading partners in terms of these products, and account for less than 1 percent of both total U.S. exports and total U.S. imports of chemicals and related products.

In 1996, the primary market in Sub-Saharan Africa for U.S. exports of these products was South Africa, accounting for \$419.4 million (61 percent) of total U.S. exports of chemicals and related products. Nigeria, which accounted for \$59.9 million (9 percent), was the second-largest export market, as shown in the following tabulation:

1996 import sources	Million dollars	Percentage of total ¹
South Africa	419.4	61
Nigeria	59.9	9
Ghana	40.4	6
Côte d'Ivoire	35.8	5
Kenya	28.0	4
Others	103.7	15
Total	687.2	100

U.S. exports to South Africa and Nigeria consisted primarily of intermediate chemicals, which both nations used as feedstocks for production of specialty chemicals. Both nations import intermediate chemicals, for they do not produce enough domestically to meet demand.

The primary sources of U.S. imports of these products from Sub-Saharan Africa in 1996 were Nigeria (42 percent of total) and South Africa (35 percent), as shown in the following tabulation:

⁷²—Continued
 other medicinal chemicals); (5) rubber, plastics, and products thereof (polyethylene resins, polypropylene resins, polyvinyl chloride (PVC) resins, styrene polymers, saturated polyester resins, other plastics in primary forms, styrene-butadiene rubber (SBR), other synthetic rubber, pneumatic tires and tubes, other tires, plastic containers and closures, hoses, belting, and plastic pipe, miscellaneous rubber or plastics products, and natural rubber; and (6) other miscellaneous chemicals (benzenoid commodity chemicals, benzenoid specialty chemicals, miscellaneous organic chemicals, selected inorganic chemicals and elements, inorganic acids, salts, and other inorganic chemicals, chlor-alkali chemicals, industrial gases, essential oils, and other flavoring materials, miscellaneous chemicals and specialties, and gelatin).

1996 import sources	Million dollars	Percentage of total ¹
Nigeria	174.8	42
South Africa	148.4	35
Angola	26.6	6
Côte d'Ivoire	24.0	6
Gabon	12.7	3
Others	31.8	8
Total	418.3	100

U.S. imports from Nigeria, which increased by \$106.0 million (154 percent), were primarily aromatics (benzene, toluene, and xylenes) made in refineries from crude petroleum. Because the world price for crude petroleum increased by \$5-6 per barrel in 1996, the price of its products increased as well, thus accounting for the large increase in the value of U.S. imports from Nigeria. In quantity terms, U.S. imports of these products increased by only about 3 percent. U.S. imports of chemicals and related products from South Africa and the other Sub-Saharan countries were primarily small shipments of polymers, such as polyethylene. The increase in U.S. imports from South Africa was attributed to the reintegration of the nation into the world economy. As a result, increased production of polymers from Polifin, a major South African producer of polymers, is expected to be slated for export to foreign markets, including the United States.

The countries in the region are heavily dependent upon investments by multinational chemical companies with the capital, technology, expertise, and access to feedstocks necessary to maintain a viable chemical industry. Nigeria and South Africa both rely heavily upon joint ventures to supply these requirements as well as to develop the infrastructure necessary to market their production.

URA Developments Affecting Sector Trade and Investment

Tariff changes

The dutiable value of U.S. imports of chemicals and related products from Sub-Saharan Africa decreased by \$4.3 million (13 percent) to \$29.0 million in 1996 as a result of a change in the mix of products imported. The ATWT on U.S. imports of sector products from the region decreased from 5.3 percent AVE in 1995 to 4.0 percent in 1996 due

largely to increased U.S. imports of aromatics, which are free of duty.

Other URA developments

Certain sectors within the category of chemicals and related products are still affected by the zero-for-zero initiative, the Chemical Tariff Harmonization Agreement (CTHA), and Trade-Related Aspects of Intellectual Property (TRIPs).⁷³ Although these URA provisions are not expected to have a significant effect on this sector, TRIPs are expected to result in increased technology transfer in both the public and private sectors of Sub-Saharan Africa.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

U.S. imports of chemicals and related products eligible for GSP increased by \$22.7 million (37 percent) over the 1995 level to \$83.1 million in 1996. South Africa accounted for 98 percent of total GSP imports of these products from Sub-Saharan Africa in 1996, as shown in the following tabulation:

1996 GSP import sources	Million dollars	Percentage of total
South Africa	81.6	98
Swaziland	0.7	1
Sierra Leone	0.5	1
Kenya	0.1	0
São Tomé and Príncipe ..	0.1	0
Others	0.1	0
Total	83.1	100

GSP imports of chemicals and related products accounted for 20 percent of total U.S. imports of these products from Sub-Saharan Africa. U.S. GSP imports from South Africa accounted for 55 percent of total sector imports from South Africa. In 1996, most of the GSP imports from South Africa were specialty chemicals and certain polymers.

⁷³ See chapter 5 "Chemicals and Related Products," in the first report of this investigation: USITC, *U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, (investigation No. 332-362), USITC publication 2938, Jan. 1996.

Policy Developments in Sub-Saharan Africa

Nigeria

Nigeria possesses the feedstocks, crude petroleum and natural gas necessary for a viable chemical industry. Nigeria, a member of the Organization of Petroleum Exporting Countries (OPEC), is bound by crude-petroleum production quotas. In an effort to rely less on the exportation of crude petroleum for much-needed hard currency, Nigeria has expanded production of petrochemicals for export from less than 500 barrels per day in 1995 to about 2,000 barrels per day in 1996.⁷⁴

Despite increased production of petrochemicals for export, Nigeria's failure to privatize its four refineries producing petrochemicals resulted in inefficiencies and financial losses.⁷⁵ The Nigerian National Petroleum Corp. (NNPC) holds the majority ownership of the refineries producing aromatics. However, NNPC has recently been under severe budgetary constraints and has been unable to finance its share of joint venture projects, including those in the chemical industry.

South Africa

South Africa's chemical industry is dominated by four large companies producing a wide range of chemicals in joint ventures with large multinational chemical companies. As a result, for industries producing petrochemicals and intermediate chemicals, their revenues in 1996 grew by 6 percent.⁷⁶ South African chemical companies are currently focusing on the need to be competitive in the international market and are displacing imports with domestic production. As a result, expansion plans for chemical plants are concentrated on inland locations near the coal-based synthetic fuels plants that provide the feedstocks for chemical production.⁷⁷

In late 1996, Polifin, which began as a 60/40 joint venture between parastatal Sasol and private investors to produce polymers, was privatized. Currently, about 20 percent of Polifin's production of polymers is exported, with 60 percent of the exports going to markets in Africa, about 35 percent of the exports to

⁷⁴ Compiled from official statistics of the U.S. Department of Energy.

⁷⁵ U.S. Dept. of State cable, "USITC Study on U.S.-Africa Trade - Nigeria," message reference No. 005356, prepared by U.S. Embassy, Lagos, June 12, 1997.

⁷⁶ Various industry sources, telephone interviews by USITC staff, May 1997.

⁷⁷ Ibid.

markets in Asia (primarily Hong Kong) and the remaining 5 percent to the United States.⁷⁸ Expansion plans for Polifin include 60 percent of its polymers production to be exported by the year 2003 as joint ventures with several multinational chemical companies with their eye on the U.S. market come on stream.⁷⁹

Energy-related Products⁸⁰

Overview

The United States has historically maintained a trade deficit in energy-related products with Sub-Saharan Africa primarily because of U.S. reliance on imports of crude petroleum. In 1996, U.S. exports of energy-related products totaled \$242.8 million, an increase of \$93.5 million (63 percent) over 1995 levels. This increase is primarily attributed to the economic recovery in South Africa, demonstrated by a 3 percent growth rate in 1996⁸¹ and increased demand for clean-burning U.S. coal to generate electricity. However, U.S. sector imports, valued at \$10.8 billion in 1996, increased by \$1.7 billion (19 percent) over 1995 levels primarily because of a \$5-6 per barrel increase in the world price of crude petroleum. As a result, the U.S. trade deficit in energy-related products further deteriorated from \$8.9 billion in 1995 to \$10.6 billion in 1996.

U.S. exports of energy-related products to Sub-Saharan Africa accounted for about 4 percent of total U.S. exports to the region in 1996. South Africa, the major market for U.S. sector exports, accounted for 76 percent and Nigeria accounted for 10 percent of the total, as shown in the following tabulation:

1996 export markets	Million dollars	Percentage of total ¹
South Africa	184.1	76
Nigeria	23.1	10
Ghana	13.0	5
Cameroon	6.7	3
Guinea-Bissau	4.4	2
Others	11.5	5
Total	242.8	100

¹ Because of rounding, figures may not add to the total shown.

U.S. sector exports to South Africa consisted primarily of coal, which burns cleaner than South African coal and is used to generate electricity. U.S. exports of coal to South Africa increased by 78

⁷⁸ "South Africa Inc.," *European Chemical News*, June 23-29, 1997, pp. 20-21; and industry sources.

⁷⁹ Ibid.

⁸⁰ The energy-related products sector includes crude petroleum, refined petroleum products, natural gas, coal, coke, related chemical products, and nuclear materials.

percent from 1995 to 1996. Although South Africa has abundant reserves of coal, labor unrest in 1996 resulted in shortfalls in coal production. U.S. exports to Nigeria consisted of refined petroleum products, primarily diesel and other bunker fuels. Despite Nigeria's abundant petroleum resources, labor and civil unrest in the nation often results in the disruption of refinery operations due to strikes and sabotage.

Energy-related products comprised the largest sector of U.S. imports from Sub-Saharan Africa in 1996. The major sources of these imports were Nigeria⁸² (53 percent of total), Angola (25 percent), and Gabon (17 percent). The following tabulation shows U.S. imports by source:

1996 import sources	Million dollars	Percentage of total
Nigeria	5,681.7	53
Angola	2,656.8	25
Gabon	1,797.2	17
Congo	274.6	3
Zaire	136.8	1
Others	254.3	2
Total	10,801.4	100

In 1996, crude petroleum accounted for about \$10.2 billion (94 percent) of the total U.S. imports in this sector, refined petroleum products accounted for about \$325 million (3 percent), and coal chemicals accounted for about \$324 million (3 percent). The increase in the value of U.S. imports of energy-related products during 1995-96 was primarily the result of the increased price of crude petroleum on the world market. In terms of quantity, in 1996, U.S. imports of crude petroleum from Nigeria and Angola each declined by about 3 percent from 1995 levels because of labor and civil unrest in these nations and subsequent decreases in crude petroleum production. U.S. imports of crude petroleum from Gabon increased by about 20 percent in 1996. Gabon, formerly a member of OPEC,⁸³ increased its exploration and production efforts in 1995, for they no longer needed to abide by OPEC production quotas. As a result, output increased in 1996 as new fields began producing.

Most of the region's energy-rich countries are still in need of foreign investments for exploration and development technology for crude petroleum, natural

⁸¹ U.S. Dept. of State, "South Africa," *1996 Country Reports on Economic Policy and Trade Practices*, p. 12.

⁸² Nigeria is the only Sub-Saharan Africa nation that is currently a member of OPEC.

⁸³ Gabon officially withdrew from OPEC as of December 31, 1994.

gas, and coal, as well as upgrades in transportation infrastructure, such as ports and pipelines.

URA Developments Affecting Sector Trade and Investment

Tariff Changes

The dutiable value of energy-related products imported from Sub-Saharan Africa increased by \$138.5 million (2 percent) over the 1995 level to \$8.0 billion in 1996. The ATWT on U.S. imports of energy-related products from Sub-Saharan Africa decreased from 0.6 percent AVE in 1995 to 0.5 percent AVE in 1996 due to a change in the mix of products imported. In 1995, the primary dutiable product imported was one shipment of specialty lubricating oils, with a higher duty rate than other refined petroleum products. In 1996, U.S. imports of lower-duty distillate and residual fuel oils used for heating increased in 1996 in response to a colder than normal winter in the Northeast.

Other URA Developments

In 1996, no other URA provisions were identified to have significant effect on U.S.-Sub-Saharan Africa trade in the energy-related products sector.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

Most of the products covered in this sector are not eligible for GSP benefits. There were no GSP imports of energy-related products in 1996.

Policy Developments in Sub-Saharan Africa

Angola

The petroleum industry is the mainstay of the Angolan economy. As a result of the opening of the nation's offshore crude-petroleum and natural-gas sectors to foreign investment, crude-petroleum production increased from 630,000 barrels per day

(b/d) in 1995 to 650,000 b/d in 1996.⁸⁴ In 1996, Angola's joint ventures with multinational petroleum companies led to 53 exploration wells being drilled compared with 35 in 1995 and 22 in 1994. Based on current well commitments and current deep water successes, the number of well completions is expected to increase in 1997 and beyond.⁸⁵ Angola has plans to open additional energy sectors to foreign investment, including downstream petroleum-refining projects, including the building of the necessary infrastructure to transport additional production; however, during 1996 and early 1997, the Angolan government had yet to call for joint venture proposals.

Nigeria

Nigeria is the fifth-largest U.S. supplier of crude petroleum. The petroleum sector is crucial to Nigeria's economy, providing 90 percent of all foreign-exchange earnings and about 60 percent of budgetary revenue.⁸⁶ The nation has low-cost labor and abundant resources of crude petroleum and natural gas but continues to suffer from massive labor strikes and inadequate infrastructure.⁸⁷ The most worrisome issues to multinational petroleum companies operating in Nigeria are antigovernment protests by local communities, which most often result in damage to petroleum facilities, pipelines, and other infrastructure operations. Most of these protests are in response to the Nigerian Government's failure to meet promises on the funding of welfare programs.⁸⁸

Nigeria has long been Africa's largest producer of crude petroleum, mainly through joint ventures with multinational petroleum companies and the parastatal NNPC. The Nigerian National Petroleum Corp., (NNPC) holds at least 55 percent equity in all exploration and production joint ventures. However, in recent years NNPC has been unable to finance its share of these joint venture operations due to budgetary shortfalls. In 1996, NNPC announced that it would only spend \$2.05 billion, a 31 percent shortfall, for its joint venture expenditures.⁸⁹ This was unacceptable to NNPC's partners, and negotiations came to a standstill. As a result of such continued budgetary shortfalls, Nigeria's Minister of Finance announced in late 1996 that the Government

⁸⁴ "Interest Grows in African Oil and Gas Opportunities," *Oil and Gas Journal*, May 12, 1997, pp. 41 and 44.

⁸⁵ *Ibid.*

⁸⁶ *Ibid.*

⁸⁷ U.S. Dept. of State, "Nigeria," *1996 Country Reports on Economic Policy and Trade Practices*, pp. 5-10.

⁸⁸ "Interest Grows," *Oil and Gas Journal*, pp. 45-47.

⁸⁹ *Ibid.*

would sell part of its interests in the nation's main crude-petroleum producing ventures; the first 10 percent was expected to be offered within 1 year.⁹⁰

Selling down NNPC's participation shares would immediately reduce the cash demands on the Government and allow the ventures to continue exploration and production operations; however, by mid-1997, NNPC had not yet offered shares to its joint venture partners.

South Africa

South Africa, with the strongest economy in the region, has abundant reserves of coal. The nation's three indigenous energy companies, Sasol Ltd., Engen Ltd., and Southern Oil Exploration Corp. Ltd. (Soekor), are striving to expand into neighboring countries.⁹¹ Sasol is currently promoting proprietary synthetic fuels processes for international projects. One example is a natural gas-to-diesel fuel process, which utilizes flared natural gas and is expected to result in the development of natural-gas fields. This process is an alternative to the expensive process of liquefaction. Although Sasol built a pilot plant in South Africa, the first commercial plant is slated to be built in Qatar via a joint venture with Qatar General Petroleum Corp.⁹² In early 1997, Soekor, which was originally formed by the former apartheid government to undertake onshore and offshore crude-petroleum and natural-gas development, was offered for private ownership, and, along with Engen, is seeking overseas projects.⁹³

Textiles, Apparel, and Footwear⁹⁴

Overview

The U.S. trade deficit in textiles and apparel with Sub-Saharan Africa improved by \$60.7 million (24 percent) from the 1995 level to \$194.4 million in 1996. The improvement in the trade balance reflected an increase in U.S. exports of \$30.5 million (18

⁹⁰ "New Ideas for Oil, Unchanged Target for LNG," *Petroleum Economist*, Feb. 1997, pp. 30-31.

⁹¹ "Interest Grows," *Oil and Gas Journal*, pp. 45-47.

⁹² *Ibid.*; and "Newsbriefs," *Petroleum Economist*, Jan. 1997.

⁹³ *Ibid.*

⁹⁴ This sector includes textile fibers other than cotton and wool (included in agricultural products), yarns, fabrics, made-up textile goods, apparel of textile and non-textile materials (leather, fur, rubber, and plastic), and footwear. Since U.S. footwear trade with the region is negligible, this sector discussion will deal only with textiles and apparel.

percent) to \$201.2 million, and a decrease in imports of \$30.2 million (7 percent) to \$395.6 million. The region accounted for less than 1 percent of total U.S. sector trade.

The leading U.S. sector export markets in 1996 were South Africa (23 percent of the total), Niger (10 percent), Benin (7 percent), and Tanzania and Côte d'Ivoire (6 percent each), as shown in the following tabulation:

1996 export markets	Million dollars	Percentage of total
South Africa	46.7	23
Niger	19.6	10
Benin	13.8	7
Tanzania	12.6	6
Côte d'Ivoire	12.4	6
Others	96.1	48
Total	201.2	100

Used clothing and other used textile articles accounted for about one-third (\$11.4 million) of the export increase. This category also accounted for 46 percent of U.S. sector exports to Sub-Saharan Africa and, at \$92.2 million, was the eighth-largest of total U.S. exports⁹⁵ to the region, reflecting the poverty in many parts of the region. Growing exports of used clothing to the region has also reduced demand for locally made clothing, and this has led to a decline in production and employment in the textile and apparel industries of many countries of Sub-Saharan Africa.⁹⁶ Second-hand clothing of foreign origin is reportedly often of higher quality and costs less than new garments made locally. Used clothing dominated U.S. exports to Niger, Benin, and Tanzania and accounted for most of the increase in U.S. sector exports to each country in 1996. Exports to South Africa and Côte d'Ivoire, each of which increased in 1996, were composed of a greater variety of sector goods.

The leading sources of U.S. sector imports from Sub-Saharan Africa in 1996 were located primarily in southern Africa, especially Mauritius (42 percent of the total), South Africa (22 percent), and Lesotho (16 percent), as shown in the following tabulation:

1996 import sources	Million dollars	Percentage of total
Mauritius	165.2	42
South Africa	87.4	22
Lesotho	64.9	16
Kenya	27.8	7
Madagascar	11.9	3
Others	38.4	10
Total	395.6	100

Imports from the region were mostly cotton apparel, with men's woven shirts, men's trousers, and knit sweaters and pullovers accounting for \$218.3 million (55 percent) of U.S. sector imports from the region in 1996.⁹⁷ Of the leading sources, U.S. imports from both Mauritius and Kenya declined. Because unemployment in Mauritius is very low (about 2.5 percent) and its wage rates are rising, its apparel is less competitive in the U.S. market. Mauritian firms are also setting up apparel plants in nearby, low-wage countries such as Madagascar. The decline in imports from Kenya followed the imposition of U.S. quotas on men's shirts of cotton and of manmade fibers and on cotton pillowcases in 1994. Kenyan producers reported that after quotas were imposed, U.S. demand for their products dropped sharply because they were no longer able to guarantee delivery on orders.⁹⁸ Although U.S. imports of a few types of apparel from Kenya increased in 1996, imports of shirts and trousers (which accounted for three-fourths of U.S. sector imports from Kenya) declined by \$9.0 million (28 percent) to \$22.8 million.

URA Developments Affecting Sector Trade and Investment

Tariff Changes

The U.S. ATWT rate for dutiable textile and apparel imports from Sub-Saharan Africa in 1996 was

⁹⁷ For a detailed assessment of the competitive potential of the textile and apparel industry in Sub-Saharan Africa, see: USITC, *Likely Impact of Providing Quota-Free and Duty-Free Entry to Textiles and Apparel from Sub-Saharan Africa* (investigation No. 332-379), USITC publication 3056, Sept. 1997.

⁹⁸ Unlike many other countries whose exports are covered by U.S. textile and apparel quotas, Kenya does not allocate quotas on the basis of past performance. Rather, the textile and apparel quotas are allocated at the time of shipment. One consequence of this allocation method is that suppliers have no way of guaranteeing future orders. Staff interviews with Kenyan apparel manufacturers, Apr. 1997.

⁹⁵ On a six-digit HTS basis.

⁹⁶ Government and industry officials in several Sub-Saharan African countries, interviews by USITC staff, Apr. and June 1997.

virtually unchanged from 1995 at 17.9 percent AVE. The United States is reducing its average sector tariff rate under the URA by 2 percentage points, to 15.2 percent AVE on a global basis. Most of these reductions are being staged over 10 years.

Other URA Developments

The Agreement on Textiles and Clothing (ATC) is likely to have a far greater impact on sector trade than any other URA provision. The ATC provides for the liberalization and eventual elimination of quotas on textiles and apparel by the year 2005.⁹⁹ The United States currently has quotas on textile and apparel imports from only two Sub-Saharan African countries, Mauritius and Kenya. In 1996 only the quotas on knit cotton shirts from Mauritius were binding.¹⁰⁰ Increased growth of quotas provided for in the ATC will provide the opportunity for growth in shipments of quota-bound goods until these goods are integrated into the WTO on January 1, 2005.

The ATC is likely to foster further investment in some low-wage, apparel-producing countries. This investment is most likely to come from firms in the traditional “Big Three” Asian textile and apparel-exporting countries (Hong Kong,¹⁰¹ Korea, and Taiwan), China, Japan, and large global apparel firms based in the United States and the EU. However, certain apparel producers in Asia, such as members of the Association of Southeast Asian Nations (ASEAN),¹⁰² India, and Pakistan are likely to receive much of this investment rather than the Sub-Saharan African countries. These Asian countries have established upstream suppliers for their apparel industries and have the management and technical expertise to readily expand output.

⁹⁹ In January 1995, the ATC replaced the Multifiber Arrangement (MFA). The MFA was established under the GATT in 1974 to deal with problems of market disruption in importing developed countries while allowing exporting developing countries to expand their share of world trade in these products. Under the MFA, developed countries negotiated bilateral agreements with exporting developing countries for the purpose of setting quotas and quota growth rates.

¹⁰⁰ Quotas are generally considered to be binding when they are more than 90 percent filled.

¹⁰¹ Hong Kong’s return to Chinese control on July 1, 1997, did not affect the quotas covering exports from either to the United States.

¹⁰² The ASEAN members are Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

U.S. GSP sector imports from Sub-Saharan Africa in 1996 were \$1.9 million, or less than 1 percent of U.S. sector imports from the region. South Africa was the primary source of GSP sector imports, providing \$1.1 million (56 percent of the GSP total), and Madagascar provided \$0.8 million (43 percent). The small quantity of GSP sector imports from the region reflects the statutory ineligibility of most textile and apparel articles. Currently excluded from the program are articles subject to textile agreements, namely the Multifiber Arrangement (MFA) and its successor, the ATC.¹⁰³

The Administration and key members of Congress expressed interest in establishing a program to promote trade with and investment in Sub-Saharan Africa. The African Growth and Opportunity Act (H.R. 1432),¹⁰⁴ which was introduced in the 105th Congress on April 24, 1997, provides enhanced U.S. market access for textiles and apparel from Sub-Saharan Africa. Section 8(a) of the bill sets forth several findings of Congress regarding the competitiveness of Sub-Saharan Africa, stating—

. . . that Sub-Saharan Africa has limited capacity to produce textiles and apparel and that this capacity is projected to grow at a modest rate; that it will be difficult for Sub-Saharan Africa to annually supply more than 3 percent of U.S. textile and apparel imports during the next 10 years; and that, if imports of textiles and apparel from Sub-Saharan Africa grow to “around 3 percent” of total U.S. imports of such goods, they will not represent a threat to U.S. producers, workers, or consumers.

Section 8(c) of the bill would eliminate U.S. textile and apparel quotas for Kenya and Mauritius,

¹⁰³ As discussed later in this section, legislation has been introduced in the House of Representatives that would, among other things, extend GSP eligibility to textile and apparel imports from eligible Sub-Saharan Africa countries.

¹⁰⁴ A previous version, H.R. 4198, was introduced in the 104th Congress on September 26, 1996, to authorize a new U.S. trade and investment policy in Sub-Saharan Africa. Although referred to the Committee on Ways and Means, no action was taken on the bill during the 104th Congress.

but only after each country adopts a “cost-effective and efficient” visa system to guard against unlawful transshipment of textiles and apparel. The section would also require other countries in Sub-Saharan Africa planning to export substantial amounts of textiles and apparel to the United States to have a “functioning and efficient” visa system in place to guard against such transshipments.

The most significant new provision in H.R. 1432 relating to textiles and apparel is section 9, which would authorize the President to provide countries in Sub-Saharan Africa with duty-free treatment under the GSP for textiles and apparel now excluded from the program.¹⁰⁵ The bill would authorize the President to designate textiles and apparel as GSP-eligible articles with respect to eligible countries in Sub-Saharan Africa if, after receiving the advice of the Commission, he determines such articles are not import sensitive in the context of imports from these countries. The proposed GSP duty-free treatment would remain in effect through May 31, 2007.

Minerals and Metals¹⁰⁶

Overview

The United States is a net importer of minerals and metals from Sub-Saharan Africa. Trade with the region is a reflection of insufficient domestic raw-material resources, abundant regional mineral resources, and few large-scale markets in the region for U.S. exports. In contrast to past years, the U.S. trade deficit shrank \$24.8 million (1 percent) to \$1.9 billion during 1995-96, as U.S. exports to the region increased by \$60.6 million (28 percent) to \$280.7 million, whereas U.S. imports grew by \$35.8 million (2 percent) to nearly \$2.2 billion.

The top five markets for U.S. exports of minerals and metals to Sub-Saharan Africa remained unchanged in 1996 from the previous year, with 84

percent of U.S. exports concentrated in three countries: South Africa (52 percent), Nigeria (24 percent), and Angola (8 percent):¹⁰⁷

1996 export markets	Million dollars	Percentage of total
South Africa	145.7	52
Nigeria	67.3	24
Angola	23.4	8
Ghana	7.8	3
Côte d'Ivoire	6.6	2
Others	29.9	11
Total	280.7	100

Outside of South Africa, the United States exported mostly to countries with extensive U.S. corporate ties in the petroleum and natural gas industries (e.g., Nigeria, Angola, and Côte d'Ivoire) and mining industries (e.g., Ghana). In 1996, U.S. exports were more concentrated in these top five markets than in 1995, despite decreased exports of \$13.2 million (36 percent) to Angola. Exports of sector products to the other four top markets increased by \$73.2 million to contribute to a net growth in U.S. exports during 1996.

Although the United States exported a wide range of mineral and semi-fabricated and fabricated metal products to Sub-Saharan Africa, the largest product category in 1996, as in the previous year, was pipes, tubes, and other steel mill products (one-third of the total), as shown in the tabulation at the top of the next page.

Increased exports of the top two product categories contributed to most of the net growth in U.S. sector exports to the region during 1995-96. U.S. exports of steel mill products rose \$31.6 million (52 percent) to \$92.1 million; the \$26.0 million in exports of precious metals was \$25.9 million above the previous year's level. Nearly all the increase in precious metals was due to shipments to South Africa, of which \$24.6 million was in the form of nonmonetary gold bullion.¹⁰⁸

¹⁰⁵ The GSP program, which expired on May 31, 1997, was extended to June 30, 1998, by the Revenue Reconciliation Act of 1997.

¹⁰⁶ The minerals and metals sector includes clays and earths, sand and gravel, stone, cement and plaster, and nonmetallic minerals; metal-bearing ores, concentrates, ash, and residues; ceramic, glass and fiberglass articles; gemstones; iron and steel, base-metals, precious-metals, and metal alloys in unwrought and scrap forms; ferrous and non-ferrous mill-products (shaped by casting, forging, machining, rolling, drawing, or extrusion operations); and certain fabricated metal products (e.g., containers, wire cables, chain, industrial fasteners, certain kitchen and sewing implements, cutlery, nonpowered hand tools, construction components and builder's hardware, etc.).

¹⁰⁷ In 1996, the United States exported over \$1,000 of sector products to each of the other Sub-Saharan African countries, with the exception of Cape Verde, Chad, Comoros, Lesotho, and Somalia.

¹⁰⁸ Details about such exports are not readily available, due to the sensitive nature of international gold transactions. Although gold is exported outright through sales to private or industrial consumers, certain transfers between central banks may cause especially large annual variations in U.S. trade in nonmonetary gold bullion. For example, transfers of earmarked gold (held for foreign accounts) by the Federal Reserve Bank to the Bank of England (which allows for private accounts) may not be recorded strictly as monetary transactions. In 1996, the amount of gold bullion held for foreign accounts by the

1996 leading sector exports	Primary markets	Million dollars	Percentage of total
Steel mill products (especially pipes and tubes)	Nigeria, Angola, and South Africa	92.1	33
Precious metals and related articles (primarily gold bullion)	South Africa	26.0	9
Nonpowered handtools	South Africa	22.8	8
Chain and miscellaneous base-metal products	South Africa	19.9	7
Graphite, quartz and quartzite, and silicious fossil meals	Nigeria, South Africa, Congo, and Côte d'Ivoire	16.8	6
Clays, bentonite, and earths	South Africa, Nigeria, Congo, and Angola	11.7	4
Iron and steel waste and scrap	South Africa	11.6	4
Others	South Africa	79.8	28
Total		280.7	100

The top five regional sources of U.S. imports of minerals and metals in 1996 also remained unchanged from the previous year, with 73 percent of U.S. imports coming from South Africa, the world's largest producer of precious metals, gemstones, and many strategic metals:¹⁰⁹

1996 import sources	Million dollars	Percentage of total
South Africa	1,588.5	73
Zaire	115.6	5
Ghana	113.5	5
Guinea	93.3	4
Zimbabwe	62.3	3
Others	205.0	9
Total	2,178.2	100

Other important sources, as in previous years, were Zaire and Ghana, each of which provided 5 percent of U.S. imports.¹¹⁰ In 1996, the United States was slightly less dependent on these three sources, as

¹⁰⁸—Continued

Federal Reserve Bank of New York dropped by 372 metric tons to 8,249 metric tons. USITC, *Shifts in U.S. Merchandise Trade in 1996* (investigation No. 332-345), USITC publication 3051, July 1997.

¹⁰⁹ The term "strategic metals" refers to various non-ferrous base metals, excluding aluminum, copper, lead, and zinc, for which there are few satisfactory substitutes in the manufacture of steel alloys and in a wide range of other industrial and high-technology applications. Examples are chromium, cobalt, and nickel, among others.

¹¹⁰ In 1996, the United States imported over \$1,000 of sector products from each of the other Sub-Saharan African countries, with the exception of Benin, Comoros, Eritrea, Guinea-Bissau, Lesotho, Malawi, Somalia, Sudan, and Togo.

imports of sector products from these countries decreased by a total of \$28.2 million (2 percent). However, this decrease was offset by increases totaling \$59.2 million from Zambia, Liberia, and Zimbabwe for net growth in U.S. sector imports.

The United States imports minerals and metals from Sub-Saharan Africa in mostly unwrought forms, due largely to the region's development focus upon primary commodities but also due to a lack of significant downstream value-added processing capacity outside of South Africa. Over three-quarters of U.S. imports in 1996 were concentrated in platinum-group¹¹¹ and other precious metals (35 percent), diamonds and other gemstones (18 percent), metal-bearing ores, concentrates, ash, and residues (13 percent), and ferroalloys¹¹² (11 percent), as shown in the tabulation on the top of next page.

¹¹¹ Alloys of the platinum-group metals (platinum, palladium, rhodium, iridium, ruthenium, and osmium) are utilized extensively as catalysts in the automotive, chemicals, and petroleum industries.

¹¹² Ferroalloys contain a small portion of iron and larger portions of one or more alloy elements of silicon, manganese, chromium, nickel, molybdenum, tungsten, titanium, vanadium, or niobium. The steel industry relies upon ferroalloys as additives in the production of steel alloys and as de-oxidizing, de-sulphurizing, or de-nitrating agents.

1996 leading sector imports	Primary sources	Million dol- lars	Percentage of total
Precious metals and related articles (especially platinum-group metals)	South Africa	765.0	35
Natural and synthetic gemstones (primarily diamonds)	Ghana, South Africa, and Zaire	387.6	18
Metal-bearing ores, concentrates, ash, and residues	South Africa	283.9	13
Ferroalloys	South Africa and Zimbabwe	232.2	11
Steel mill products	South Africa	134.6	6
Strategic metals (especially cobalt)	Zambia, South Africa, Zaire, and Zimbabwe	125.9	6
Unwrought aluminum (almost exclusively non-calcined bauxite)	Guinea	95.7	4
Clays, bentonite, and earths	South Africa	34.5	2
Others	South Africa	118.8	5
Total		2,178.2	100

Most of the net growth in U.S. sector imports from the region during 1996 was due to increased imports of metal-bearing ores, concentrates, ash, and residues, up \$53.5 million (23 percent) to \$283.9 million; natural and synthetic gemstones, up \$24.8 million (7 percent) to \$387.6 million; and ferroalloys, up \$12.5 million (6 percent) to \$232.2 million.

Numerous developments in the minerals and metals sector in 1996 portend further U.S. trade and investment in Sub-Saharan Africa. Among the more significant actions were continued tariff and subsidy reductions by South Africa, the United States' predominant trading partner in the region, and Zambia's sale of its debt-ridden state copper mining company. With U.S. sector investment in the region focused on resource development, growth in U.S. corporate presence depends upon continued structural economic reforms and greater liberalizing of investment and mining regulations. Furthermore, progress in infrastructure and primary-energy resources development provides additional market potential for U.S. trade in steel products and other associated materials due to the lack of indigenous downstream production capacity.

URA Developments Affecting Sector Trade and Investment

Tariff Changes

The dutiable value of U.S. minerals and metals imports from Sub-Saharan Africa rose \$3.8 million (2 percent) to \$225.7 million during 1995-96. However, the proportion of sector imports subject to duty was 10 percent in 1996, unchanged from the previous year. The ATWT on dutiable U.S. imports of minerals and

metals declined slightly to 4.0 percent AVE in 1996, from 4.4 percent AVE in 1995. South Africa accounted for 99 percent (\$223.2 million) of U.S. dutiable sector imports in 1996.

South Africa has given a commitment to sectoral tariff reductions under the WTO framework, but the Department of Trade and Industry (DTI) altered duty rates for some mineral and metal products during 1996 in response to domestic industry concerns. After the South African Jewelry Council called for reduced tariffs on imported precious gemstones (excluding diamonds), the DTI eliminated the 20 percent import duty on semi-precious and precious gemstones (including diamonds) effective January 1997.¹¹³ The government slowed tariff reductions to 14 percent *ad valorem* on flat-rolled aluminum mill products, effective November 1996, to boost downstream manufacturing and export opportunities for the South African aluminum industry.¹¹⁴ The Hulett Aluminum Company had previously requested additional tariff protection on the grounds that a proposed \$64 million

¹¹³ U.S. Department of State cable, "Mineral Highlights, February 1997," message reference No. 002061, prepared by U.S. Embassy, Pretoria, Mar. 5, 1997.

¹¹⁴ Under the revised schedule, flat-rolled aluminum import tariffs would be 14 percent (effective November 1996) until 1999, to be phased down to 10 percent over 7 years. According to the original schedule, the tariff was to be 12 percent, to be phased down to 5 percent over 3 years. U.S. Dept. of State cable, "Mineral Highlights, February 1996, Section 1 of 11," message reference No. 000323, prepared by U.S. Embassy, Pretoria, Mar. 13, 1996; and U.S. Dept. of State cable, "Aluminum in Southern Africa, Section 7 of 9," message reference No. 007392, prepared by U.S. Embassy, Pretoria, Aug. 5, 1996.

expansion of its Pietermaritzburg sheet mill would not be viable under the existing tariff-reduction schedule.¹¹⁵

The Finance Ministry of Zaire announced a revised tariff schedule in January 1997 that substantially simplified and reduced duties on sector products. Import duties would be 5 percent *ad valorem* on industrial raw materials, 15 percent on light industrial products, and 20 percent on products for which there is insufficient local production to meet domestic needs. Export duties on diamonds were reduced from the previous level of 25 percent *ad valorem* to 0.25 percent for small-scale miners and to 3 percent for others. For gold exports, duties were reduced to 0.75 percent *ad valorem* for small-scale producers and to 3 percent for industrial producers. Duties on exports of other mining and minerals products were reduced from as much as 40 percent *ad valorem* to either 5 or 10 percent.¹¹⁶

Other URA Developments

The most significant non-tariff-related development in 1996 affecting this sector was progress by South Africa in reducing export subsidies. Despite considerable opposition from domestic manufacturers,¹¹⁷ the DTI reduced direct cash payments under the General Export Incentive Scheme (GEIS) for a second year in April 1996¹¹⁸ for both material-intensive products (i.e., partially manufactured products such as steel mill products) and certain manufactured products (e.g., cooking and kitchen ware, cutlery and sewing implements, nonpowered hand tools, ceramic household articles, and table flatware). Subsidies for partially manufactured products were reduced from 3 percent to 2 percent of export value and those for fully manufactured products, from 12 percent to 10 percent.¹¹⁹ Under the most recent revision (June

¹¹⁵ Once the DTI revised the tariff-reduction schedule, Hulett decided in Spring 1996 to proceed with its capacity expansion. U.S. Dept. of State cable, "Aluminum in Southern Africa."

¹¹⁶ U.S. Dept. of State cable, "New Tariff Schedule for Zaire," message reference No. 001450, prepared by U.S. Embassy, Kinshasa, Mar. 3, 1997.

¹¹⁷ U.S. Dept. of State, "South Africa," *1996 Country Reports on Economic Policy and Trade Practices*.

¹¹⁸ The GEIS was promulgated in 1990 to capture the value-added by encouraging exports with a greater degree of processing and higher domestic content. Payment amounts were based on the export value, the degree of processing, and domestic content of the exported product. World Wide Web, retrieved June 5, 1997, Mbendi Information Services, <http://mbendi.co.za/werksmns/sabus02.htm>, "Part Two, Foreign Investment," *Business Guide to South Africa*; and U.S. Dept. of State, "South Africa," *1996 Country Reports*.

¹¹⁹ USTR, "South Africa," *1996 National Trade Estimate Report on Foreign Trade Barriers*.

1996), subsidies were eliminated for partially manufactured products as of July 1996. An export subsidy of up to 6 percent of local content remained in effect for certain manufactured goods until March 1997.¹²⁰ The South African Government pledged to eliminate this program entirely by July 1997.¹²¹

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

Duty-free imports of minerals and metals from Sub-Saharan Africa under the GSP program increased \$7.1 million (3 percent) to \$228.7 million in 1996, despite the proportion of GSP sector imports as a share of total sector imports from the region remaining relatively unchanged (11 percent in 1996 and 10 percent in 1995). As in previous years, 1996 GSP sector imports were principally from South Africa and Zimbabwe:

1996 GSP import sources	Million dollars	Percentage of total
South Africa	179.2	78
Zimbabwe	45.8	20
Tanzania	1.4	1
Kenya	1.4	1
Mauritius	0.2	0
Others	0.7	0
Total	228.7	100

South Africa accounted for 78 percent of total GSP sector imports from the region, although GSP imports from that country dropped by \$7.0 million (4 percent) from the 1995 level. This decline reflected a \$9.2 million (7 percent) decrease in ferroalloy imports under the program to \$128.6 million (72 percent of GSP sector imports from South Africa), despite increased GSP imports of other sector products. Zimbabwe accounted for another 20 percent, due largely to a \$15.0 million (53 percent) increase in GSP imports of ferroalloys to \$43.3 million (94 percent of sector GSP imports from Zimbabwe). Aside from Tanzania and Kenya, all other sources totaled less than 1 percent of GSP sector imports from the region.¹²²

¹²⁰ USTR, "South Africa," *1997 National Trade Estimate Report on Foreign Trade Barriers*; and U.S. Dept. of State, "South Africa," *1996 Country Reports*.

¹²¹ Mbendi Information Services, "Part Two, Foreign Investment," *Business Guide to South Africa*.

¹²² Other Sub-Saharan African countries from which the value of U.S. imports of minerals and metals under the GSP program in 1996 exceeded \$1,000 included (in

Although a wide range of sector products was imported into the United States under the GSP program, certain ferroalloys,¹²³ valued at \$171.8 million from South Africa and Zimbabwe, dominated such imports. Although GSP imports of ferroalloys from the region grew by \$5.8 million (3 percent) during 1995-96, they were 75 percent of total GSP sector imports in both years. Other commodities imported in significant amounts under the GSP program were flat-glass products, primarily from South Africa and Zimbabwe (\$12.7 million or 6 percent of GSP sector imports); aluminum mill products from South Africa (\$9.5 million or 4 percent); and, certain miscellaneous minerals substances¹²⁴ (\$9.5 million or 4 percent) from South Africa.

Duty-free tariff treatment under the GSP was restored to several non-ferrous metal products, effective October 1996, when the GSP program was renewed in August 1996.¹²⁵ However, sectoral trade effects have been minimal due to the comparatively low import levels from Sub-Saharan Africa.

Of the various products included in the June 1997 extension of additional GSP benefits to designated least-developed beneficiary countries (LDBCs),¹²⁶ the only sector products imported by the United States in significant amounts from regional LDBCs were unwrought cobalt alloys, almost exclusively from Zambia and Zaire.¹²⁷ Although waiver of the 5.1 percent *ad valorem* rate of duty under this program may enhance competitiveness of Zambia's and Zaire's somewhat impure unwrought cobalt alloys relative to purer alloys produced by the U.S. industry, these countries have limited capacity to expand production in the immediate future and need massive infusions

¹²²—Continued
descending order): Zambia, Swaziland, Namibia, Mali, Ghana, Cameroon, Zaire, Seychelles, Madagascar, Mozambique, Côte d'Ivoire, and Burkina Faso.

¹²³ Only certain ferroalloy imports (certain ferromanganese, certain ferrosilicon, ferrosilicon manganese, certain ferrochromium, ferrosilicon chromium, ferrotungsten and ferrosilicon tungsten) are eligible for duty-free treatment under the GSP program. Ferronickel imports are duty-free. USITC, *Harmonized Tariff Schedule of the United States, 1997*, USITC publication 3001, Nov. 1996, pp. 72-7 and 72-8.

¹²⁴ Feldspars, feldspathoids, fluorspars, micaceous iron oxides, vermiculites, and magnesium sulfates.

¹²⁵ The affected products from all GSP-eligible countries were aluminum powder and flakes; cadmium and articles thereof; copper bars, rods, and hollow profiles; rhenium waste and scrap; and base metals or silver, clad with gold. "GSP Status Restored for Moly, Vanadium, Ferrosilicon," *Platt's Metals Week*, vol. 67, No. 45, (Nov. 11, 1996), pp. 1 and 4.

¹²⁶ Among the top sources of U.S. imports of minerals and metals, South Africa, Ghana, and Zimbabwe are not designated as LDBCs. 62 F.R., 30415, June 3, 1997.

of investment capital to rehabilitate their production facilities.¹²⁸

In late 1996, U.S. producers of carbon steel plate filed a petition with the U.S. Department of Commerce (USDOC) and the U.S. International Trade Commission (Commission) alleging that cut-to-length carbon steel plate from South Africa and three other countries was being sold in the United States at less than fair market value (dumped).¹²⁹ In December 1996, the USITC made an affirmative determination in the preliminary phase of its investigation.¹³⁰ In June 1997, USDOC made a preliminary affirmative determination of dumping and instructed the U.S. Customs Service to require cash deposits or posting of bonds equal to weighted-average dumping margins ranging from 15.77 to 31.45 percent.¹³¹ USDOC is scheduled to make a final determination in October 1997, and if this determination is affirmative, the USITC will likely make its final-phase determination in this investigation in December 1997.

In FY 1996, the U.S. Trade and Development Agency (TDA) officially approved funding for a feasibility study of a direct-reduced iron plant with an annual capacity of 4 million metric tons. Negotiated last year with South Africa's Industrial Development Corporation, the \$800,000 grant will be the TDA's largest to date in the region. The grant will contribute to a \$4.16 million study to be carried out by a U.S.-South African engineering consulting team.¹³²

¹²⁷ In 1996, the United States imported \$81.3 million of unwrought cobalt in various forms (including alloys) from Sub-Saharan Africa, of which \$58.8 million (72 percent) were from Zambia and \$21.2 million (26 percent) were from Zaire. Compiled from official statistics of the USDOC.

¹²⁸ USITC, *Advice on Providing Additional GSP Benefits for Least Developed Countries* (investigation No. 332-370), USITC publication 3023, Feb. 1997, p. ix.

¹²⁹ 61 F.R. 58216, Nov. 13, 1996; and 61 F.R. 64051, Dec. 3, 1996.

¹³⁰ USITC, *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine* (investigation Nos. 731-TA-753 through 756 (preliminary)), USITC publication 3009, Dec. 1996.

¹³¹ USDOC, Import Administration, "Preliminary Determination of Sales at Less Than Fair Market Value and Postponement of Final Determination; Certain Cut-to-Length Carbon Steel Plate from South Africa," letter to the USITC Chairman, June 3, 1997, signed by Robert S. LaRussa, Acting Assistant Secretary for Import Administration, Washington, DC.

¹³² World Wide Web, retrieved Mar. 6 1996, TDA, <http://www.tda.gov/docs/press/html>, "TDA Funds \$800,000 Grant for Iron Plant in South Africa," *TDAnews, press releases*; and World Wide Web, retrieved June 6, 1997, USTDA, <http://www.tda.gov/docs/africame.html>, *TDAprojects, TDA by Region, the U.S. Trade and Development Agency, Africa and the Middle East*, Mar. 1997.

Policy Developments in Sub-Saharan Africa

Although Sub-Saharan African countries continued opening the minerals and metals sector to foreign investment in varying degrees by liberalizing foreign-investment and mining policies, reforming macro-economic policies, and privatizing parastatal enterprises, most regional investment is in mining.¹³³ During 1996, mineral exploration in Sub-Saharan Africa continued a resurgence; according to one estimate, based on a survey of exploration activities worldwide by 223 mining companies, expenditures on the entire continent rose \$98 million (31 percent) above the previous year's level, to \$418 million in 1996.¹³⁴ Canadian, Australian, South African, and Ghanaian companies have dominated exploration and development of the region's minerals resources in recent years, but U.S. corporate presence is growing. Despite continued policy reforms and significant privatizations accomplished in 1996, there were also instances of the revocation of exploration concessions and reconsideration of privatization plans where they conflicted with other policy goals.

Eritrea

In May 1997, the Eritrean Government announced plans to privatize 39 public enterprises by the end of the year. Sector facilities include three household metal-utensils factories, a ceramic-tile factory, a cement plant, a galvanized and corrugated metal sheet mill, and a wire and nail mill. Despite West European and East Asian private interest in the cement plant, many of the other offerings are outdated with few assets.¹³⁵

¹³³ Opening of Sub-Saharan African minerals sectors to foreign investment began with Ghana's policy reforms in the mid-1980s. However, the pace accelerated in the 1990s as the region's governments, confronted with the ensuing drop in foreign aid with the end of the Cold War, began liberalizing their mining laws to encourage foreign investment. Other significant factors that encouraged mining companies to push into Sub-Saharan Africa were the region's largely unexplored geologic potential outside of South Africa, advancements in high-technology exploration and metal-recovery techniques suitable for lower-grade deposits, and heightened concerns about tighter environmental regulations in the developed nations. "Mining in Africa, King Solomon's Mines, Cont'd," *Economist*, May 25, 1996, pp. 68-71.

¹³⁴ Metals Economic Group, *Corporate Exploration Strategies, a Worldwide Analysis*, Halifax, NS, Canada, 1997, cited in D.R. Wilburn, "Annual Review 1996, Exploration Overview," *Mining Engineering*, vol. 49, No. 5, (May 1997), pp. 35-43; and in "Exploration Spending Continues to Grow," *Mining Journal* (London), vol. 327, No. 8401, (Oct. 25, 1997), p. 322.

¹³⁵ U.S. Dept. of State cable, "Privatization," message reference No. 001852, prepared by U.S. Embassy, Asmara, May 22, 1997.

Ghana

Among the over 100 state enterprises to be offered for privatization in the Divestiture Implementation Committee's Fall 1996 announcement were the Ghana Bauxite Company and the Ghana Stone Quarry.¹³⁶

Guinea-Bissau

The Ministry of Industry, Energy, and Natural Resources removed bauxite from the previously negotiated exploration concession granted to U.S.-based Champion Resources, in favor of a potentially more lucrative contract with a major integrated Canadian aluminum producer, Alcan Ltd. Champion consented to this action in exchange for exclusive gold and base-metals exploration rights, in part, because the known bauxite deposits in Guinea-Bissau are small and low grade.¹³⁷

Madagascar

Phelps Dodge Corporation, a major U.S. copper-mining company, is evaluating the investment climate, taxation policies, and government commitment to maintaining an open foreign-exchange regime, while conducting further exploratory drilling of a nickel-cobalt prospect. An environmental assessment study is to be completed before the end of 1997.¹³⁸ The final go-ahead for this project, with an 80-year mine life but anticipated cost of \$500 million, will not be given until 1998.¹³⁹ Revocation of signed contracts is a concern for foreign investors; the Ministry of Energy and Mines made a preliminary decision in 1996 to withdraw exploration concessions granted to foreign (including U.S.) and domestic companies exploring for gemstones in an effort to coax unauthorized miners out of the Ankarana Reserve. However, the ministry may re-examine its decision.¹⁴⁰

¹³⁶ U.S. Dept. of State cable, "Divestiture of State-Owned Enterprises," message reference No. 006158, prepared by U.S. Embassy, Accra, Sept. 26, 1996.

¹³⁷ U.S. Dept. of State cable, "Guinea-Bissau Signs Agreements to Explore Mineral Potential," message reference No. 000163, prepared by U.S. Embassy, Bissau, Jan. 17, 1997.

¹³⁸ U.S. Dept. of State cable, "Madagascar, Commercial Potpourri," message reference No. 005659, prepared by U.S. Embassy, Antananarivo, Oct. 2, 1996; and U.S. Dept. of State cable, "Madagascar, New Environment Minister is Off and Running," message reference No. 002271, prepared by U.S. Embassy, Antananarivo, Apr. 18, 1997.

¹³⁹ U.S. Dept. of State cable, "Madagascar, Letter from 'Mon Tana,'" message reference No. 002659, prepared by U.S. Embassy, Antananarivo, May 13, 1996.

¹⁴⁰ U.S. Dept. of State cable, "Seized with a Sapphire Craze," message reference No. 002169, prepared by U.S. Embassy, Antananarivo, Apr. 15, 1997.

Mozambique

At a March 1997 conference with representatives of multilateral development agencies and private corporations, the Vice Minister for Energy and Mines announced that the Government would seek to upgrade its 1994 Minerals Code to provide greater support for foreign investors.¹⁴¹

Namibia

A new law is being considered¹⁴² to eliminate foreign monopolies on Namibian diamond mining, production, and sales by opening the industry to companies other than DeBeers.¹⁴³

Nigeria

Although Nigeria continued to implement policies of fiscal austerity and “guided deregulation,” interest-rate caps and a dual exchange-rate mechanism were retained in the 1996 budget. However, removal of both interest rate caps and mandatory sectoral credit allocations for banks was announced in the second half of 1996.¹⁴⁴ The Provisional Ruling Council declined to follow up on 1995-96 pronouncements of the Finance Ministry to lease out or sell off portions of various parastatal enterprises, including steel mills¹⁴⁵ and the Nigerian Mining Corp., a producer of tin, kaolin, barite, and gold.¹⁴⁶ No immediate action to privatize specific parastatals was provided for in the 1997 budget and the head of state indicated that privatization would be undertaken only after “careful review.”¹⁴⁷

¹⁴¹ U.S. Dept. of State cable, “Mozambique Opening for Business,” message reference No. 001081, prepared by U.S. Embassy, Maputo, Mar 10, 1997.

¹⁴² U.S. Dept. of State cable, “TDA Mining Orientation, Namibia Wants In,” message reference No. 001573, prepared by U.S. Embassy, Windhoek, May 15, 1997.

¹⁴³ South Africa-based DeBeers Consolidated Mines Ltd. traditionally controlled about four-fifths of the global diamond production, with indirect influence over the remaining. Through its Central Selling Organization, DeBeers holds marketing-agreement contracts with many major producers to purchase all, or nearly all, of the producers’ rough diamond output. USITC, *Industry and Trade Summary, Gemstones*, USITC publication 3018, Mar. 1997.

¹⁴⁴ U.S. Dept. of State, “Nigeria,” *1996 Country Reports on Economic Policy and Trade Practices*.

¹⁴⁵ U.S. Dept. of State cable, “National Trade Estimate Report,” message reference No. 017751, prepared by the Office of the Secretary of State, Washington, DC, Jan. 31, 1996.

¹⁴⁶ “Nigerian Privatization,” *Mining Journal*, vol. 327, No. 8385 (July 5, 1996), p. 7.

¹⁴⁷ USTR, “Nigeria,” *1997 National Trade Estimate Report on Foreign Trade Barriers*; and “Privatization, Forget About It,” *Economist*, vol. 342, No. 8001, (Jan. 25, 1997), pp. 41 and 42.

South Africa

During 1996, participants in the Minerals Policy Steering Committee, representing the African National Congress, the Department of Mineral and Energy Affairs, the Chamber of Mines, and the National Union of Mineworkers, engaged in the third and final round of negotiations to finalize recommendations for redrafting the country’s mining policy framework inherited from the apartheid era. Although broad agreement was reached on the need for balance between industry and social concerns, most disagreements have centered on mechanisms to achieve policy goals rather than the goals themselves.¹⁴⁸ A long-anticipated *Draft Green Paper on Mineral and Mining Policy* was released in late October 1996.¹⁴⁹

Following up efforts over the past two years to reduce the tax burdens on foreign investors and remove other investment disincentives, the South African Government halved the Secondary Tax on Corporate Dividends to 12.5 percent in March 1996.¹⁵⁰ Subsequently, reductions in foreign-exchange control regulations were put forth in the 1997 Budget Speech by the Minister of Finance,¹⁵¹ affirming a policy of eliminating exchange controls for non-residents as soon as economic conditions permit. Additional business reforms that are expected to be implemented by July 1997 include (1) easing fund transfers for overseas investment, (2) liberalization of asset swaps by resident corporations, (3) permitting offshore investing by financial institutions, and (4) increasing the limits at which corporate borrowing would be subject to restrictions.

¹⁴⁸ U.S. Dept. of State cable, “South Africa Moving Toward Investor-Friendly Mineral Policies, Part III,” message reference No. 000040, prepared by U.S. Embassy, Pretoria, Jan. 16, 1996.

¹⁴⁹ Key principles for a new minerals policy put forth in this discussion document included (1) components of a stable business climate conducive to mineral development, (2) equal opportunity for ownership and management of mineral resources, especially for small claim-holders, (3) promotion of mine safety and health, increased training, improved living conditions, positive labor-management relations, and minimizing the impacts of workforce reductions, (4) environmental management, (5) regional cooperation, and (6) transparency of regulations. “South African Exchange,” *Mining Journal*, vol. 327, No. 8402, (Nov. 1, 1996), p. 353; and *Draft Green Paper on Mineral and Mining Policy*, Summary, [no date], 4 pp.

¹⁵⁰ World Wide Web, retrieved June 6, 1997, USDOC, International Trade Administration (ITA), <http://www.stat-usa.gov/BEN/inqprogs2/webdoc.cgi/public/cg/1692?south+afrika>, “Investment Climate,” *1997 Country Commercial Guide for South Africa*, National Trade Data Base; and U.S. Dept. of State, “South Africa,” *1996 Country Reports*.

¹⁵¹ Mbendi Information Services, “Part Two, Foreign Investment,” *Business Guide to South Africa*.

In a related move, the Reserve Bank relaxed its tight control over South African gold sales for the first time since the late 1980s¹⁵² by allowing Randgold's Harmony Gold Mining Company to directly market abroad one third of the output from its new Harmony Refinery. Harmony Gold will only start selling independently when its contract expires with the Rand Refinery in October 1997.¹⁵³ The Reserve Bank indicated that applications by other gold mines to do likewise will also be considered.¹⁵⁴

Zaire

As the new government gained control over the country's mineral-rich areas during Spring 1997, numerous foreign (including U.S.) mining and financial interests contacted officials to explore investment prospects.¹⁵⁵ In April 1997, officials of the new government, on behalf of parastatal mining conglomerate Gé camines, formally endorsed the Kipushi Framework Agreement. This nearly \$1 billion package awarded the Kolwezi copper-cobalt tailings-recovery and Kipushi zinc mill projects¹⁵⁶ to U.S.-based American Mineral Fields Inc., (AMFI).¹⁵⁷ Other actions during Spring 1997 included calls for renegotiation of contracts granted by the previous government, and monthly auctions of diamonds produced by parastatal Société Minière de Bakwanga

¹⁵² U.S. Dept. of State cable, "South Africa, Economic Highlights, February," message reference No. 001892, prepared by U.S. Embassy, Pretoria, Feb. 28, 1997.

¹⁵³ Hendrik Vorster, "Harmony Building Own Refinery, Seeking to Market Own Gold," *Mining Mirror* (Bedfordview, South Africa), vol. 9, No. 6, (Feb. 1997), pp. 17 and 18; and "International Gold News," *International Gold Mining Newsletter, Mining Journal, Gold Service* (London), vol. 24, No. 1, (Jan. 1997), p. 5.

¹⁵⁴ U.S. Dept. of State cable, "South Africa, Economic Highlights, February."

¹⁵⁵ Hugh Nevill, "Bankers Impressed by Opportunities Under Rebels," received by NEWSEDGE/LAN, May 10, 1997; and James Rupert, "Rebels Open to Business in Zaire," received by NEWSEDGE/LAN, May 12, 1997.

¹⁵⁶ The Kolwezi project to recover copper-cobalt from tailings of existing workings requires an investment estimated between \$200 million and \$220 million. The Kipushi project to process 200,000 metric tons of zinc per year entails overhauling one mill at a cost of \$30 million and building a second one at a cost estimated between \$550 million and \$650 million. "Zairian Rebels Sign Mining Deals..." *Platt's Metals Week*, vol. 68, No. 16, (Apr. 21, 1997), p. 11; "Zaire's Kolwezi Tender Hotly Contested," *Platt's Metals Week*, vol. 68, No. 17, (Apr. 28, 1997), p. 9; and "Zaire, Stored Wealth," *Economist*, vol. 343, No. 8015, (May 3, 1997), pp. 36-37.

¹⁵⁷ AMFI also made a tender offer last year for the Kolwezi tailings project with the previous government. U.S. Dept. of State cable, "GOZ Approves Gecamines/American Mineral Fields Deal for Kipushi Zinc Mine," message reference No. 004943, prepared by U.S. Embassy, Kinshasa, July 12, 1996.

(Miba) rather than traditional sales to DeBeers at guaranteed prices.¹⁵⁸

Political unrest, economic uncertainty, corporate mismanagement, and limited private-sector interest precluded follow-up to the previous government's consideration of partial privatization of Gé camines. In May 1997, the new managing director appointed by the new government indicated that, rather than privatizing the company in its current state, a few \$100 million should be raised through "single-unit projects." Once the company's core activities are restored, then its privatization will be encouraged.¹⁵⁹

Zambia

After several years of planning, the sale of Zambia Consolidated Copper Mines Ltd. (ZCCM), the most ambitious privatization effort in the region,¹⁶⁰ was officially launched at the end of August 1996.¹⁶¹ Despite a relatively short timetable,¹⁶² the Zambia Privatization Agency (ZPA) announced two U.S. mining companies were successful in winning bids for ZCCM assets. In January 1997, ZCCM reached

¹⁵⁸ "Zaire, Stored Wealth," *Economist*.

¹⁵⁹ An estimated \$1 billion is needed to rehabilitate the company. "Gé camines' Needs," *Mining Journal*, vol. 328, No. 8429, (May 16, 1997), p. 394.

¹⁶⁰ Zambia's actions are significant, for it is the fourth-largest copper-producing nation in the world and copper exports generate more than 80 percent of Zambia's foreign-exchange earnings. U.S. Dept. of State cable, "Zambia's Minerals Industry, Open for Business," message reference No. 011062, prepared by U.S. Embassy, Pretoria, Nov. 13, 1996.

¹⁶¹ Actual implementation was deferred until after the Fall 1996 general elections. In the first stage, assets were grouped into nine packages for sale by international tender. Each of the three main mining/processing facilities and the electric utility of ZCCM constituted separate packages. The other five consisted of minor elements (individual facilities or projects) separated from the main units. Each asset package will be transferred into newly formed companies in which ZCCM retains a 20 percent interest. Under terms of the privatization, successful bidders will assume almost three-quarters of ZCCM's \$800 million debt. In the second stage of privatization, the Zambian Government's 51 percent stake in ZCCM would be offered for sale to the public on the local stock market. "ZCCM Sale Officially Under Way," *Mining Journal*, vol. 327, No. 8394, (Sept. 6, 1996), p. 179; "More Privatisations," *Mining Journal*, vol. 328, No. 8410, (Jan. 3, 1997), p. 7; and "Six Bidders Shortlisted for ZCCM Assets Sale," *Mining Journal*, vol. 328, No. 8425, (Apr. 18, 1997), pp. 311-312.

¹⁶² In November 1996, the ZPA announced that 43 companies pre-qualified for bidding and were conducting due-diligence studies prior to submitting bids. Bids by 39 pre-qualified companies were unsealed at the end of February 1997 and evaluated by a ZCCM board and a committee of government ministers. "ZCCM Privatization Moves Forward, Output Increases," *Platt's Metals Week*, vol. 67, No. 49, (Dec. 9, 1996), p. 2; and "ZCCM Privatization Bids Open," *Platt's Metals Week*, vol. 68, No. 10, (Mar. 10, 1997), p. 3.

agreement with Cyprus-Amax Minerals for its majority stake in the Kanashi copper mine package. Phelps Dodge Corporation and its consortium partners were announced by ZPA in April 1997 for parts of the Nkana and Nchanga mining division. As the largest asset package, this concession accounts for about half of ZCCM's copper production.¹⁶³ Although the winning bids were approved by Zambia's cabinet, opposition to the results led the Government to renegotiate sales of some that brought in low sales prices or that had a possibility of massive lay offs.¹⁶⁴ In another move "to foster private-sector growth," according to the Finance Minister, the Government of Zambia also eliminated the value-added tax for the mining sector in January 1996.¹⁶⁵

Zimbabwe

The Zimbabwean Government announced in January 1997 an intention to sell its majority holding in the debt-ridden Zimbabwe Iron and Steel Company (ZISCO).¹⁶⁶ However, the sheer size of needed investment reportedly can only be met by foreign sources, which would conflict with the Government's "indigenization" goals.¹⁶⁷

Multilateral Lending

Multilateral lending for mineral and metal resource development in Sub-Saharan Africa during 1996 continued to be directed towards enhancing resource management capabilities and facilitating privatization efforts. For example, in June 1996, the IDA of the World Bank approved a \$12.2 million package of financing and consultancy services to improve Guinea's regulatory framework governing mining and to prepare plans for the possible restructuring and privatization of mining enterprises.¹⁶⁸

¹⁶³ "Six Bidders Shortlisted," *Mining Journal*.

¹⁶⁴ "ZCCM Privatization Opposed," *Platt's Metals Week*, vol. 68, No. 16, (Apr. 21, 1997), p. 8.

¹⁶⁵ Seth Fineberg, "Zambia Gives Break on Taxes to Miners," *American Metals Market*, vol. 104, No. 22, (Jan. 31, 1996), p. 16.

¹⁶⁶ USTR, "Zimbabwe," *1997 National Trade Estimate Report on Foreign Trade Barriers*.

¹⁶⁷ Zimbabwe's goal of "indigenization" is to promote ownership of economic assets by its black majority. Proceeds from the sale of state holdings are intended to establish a national investment trust for such efforts and to retire the massive national debt. *Ibid*.

¹⁶⁸ World Wide Web, retrieved June 6, 1997, The World Bank, International Development Association (IDA), <http://www.worldbank.org/html/extdr/la60796.htm#II>, "Guinea, Mining Sector Investment Promotion Project," *Loan and Credit Summary, Loans Approved June 1-7, 1996*.

Parts of a \$23 million multilateral package for economic reform and promotion of privatization and private-sector business in Zambia were specifically designated to help finance the privatization of ZCCM and other parastatals. The credit was also intended to strengthen the ability of the Ministry of Mines and Minerals Development to administer and monitor the impact of implementing new mining policies and legislation, to enable assistance to large-scale mining investors, and to help improve small-scale mining operations.¹⁶⁹

Both multilateral and U.S. bilateral support for oil and gas, electric-power generation, manufacturing facilities, and infrastructure-construction projects in Sub-Saharan Africa provide additional market potential for U.S. exports of steel products and other minerals and metals used by these sectors. Furthermore, even non-U.S. investment projects in the region offer additional market potential for U.S. exports¹⁷⁰ of steel mill products and various finished steel products, due to the shortfall of steel-making capacity within the region.

Machinery¹⁷¹

Overview

U.S. trade with Sub-Saharan countries in the machinery sector, with the exception of South Africa, continues to be restrained by a number of factors, particularly the region's underdeveloped industrial sector.¹⁷² The United States, nevertheless, continued to experience an overall trade surplus in these products in 1996, which increased by \$101.9 million (17 percent) to \$687.0 million compared to 1995.

¹⁶⁹ World Wide Web, retrieved June 6, 1997, The World Bank, IDA, <http://www.worldbank.org/html/extdr/la60796.htm#II>, "Zambia, Economic Recovery and Investment Promotion Technical Assistance Credit," *Loan and Credit Summary, Loans Approved June 1-7, 1996*.

¹⁷⁰ Namibia's Permanent Secretary of the Ministry of Mines and Energy noted to U.S. Embassy personnel in May 1997 that the major mines (Skorpion Zinc Mine and Haib Copper Mine), planning to begin production soon, offer "strong export potential" for U.S. suppliers. U.S. Dept. of State cable, "TDA Mining Orientation, Namibia Wants In."

¹⁷¹ The machinery sector includes a wide range of specialized and general machinery and consumer durables. Major product segments include farm and garden machinery, metalworking machinery, printing machinery, textile machinery, pumps and valves, mineral processing machinery, certain electric power generation and transmission equipment, electric motors and generators, and electrical household appliances.

¹⁷² U.S. machinery trade with the region continues to be constrained by small-scale commercial markets with limited manufacturing capabilities, distance and the

U.S. exports of machinery to Sub-Saharan Africa increased by \$128.0 million (20 percent) to \$766.5 million in 1996. South Africa was the leading regional market, accounting for 64 percent of U.S. sector exports during 1996 as shown below:¹⁷³

1996 export markets	Million dollars	Percentage of total
South Africa	486.8	64
Nigeria	75.3	10
Ethiopia	34.2	4
Angola	25.2	3
Zimbabwe	19.4	3
Others	125.6	16
Total	766.5	100

Although U.S.-made machinery and equipment is used widely throughout the region and many companies already possess large inventories of U.S.-made equipment, U.S. manufacturers face stiff competition from well-established European and Japanese suppliers. After many years of underinvestment and neglect due to import restrictions, much of the region's equipment is outdated and needs upgrading or replacing. However, purchases from the United States and other foreign suppliers continued to be constrained by a shortage of foreign exchange, an overall economic slowdown in much of Sub-Saharan Africa, and prohibitive import duties on machinery in countries such as Nigeria.¹⁷⁴ Also, the lingering effects of a banking crisis in Cameroon and the devaluation of the CFA zone's franc,¹⁷⁵ Malawi's kwacha, and Nigeria's naira acted to limit the flow of new machinery as imports became more expensive. The devaluation of the CFA franc, however, did make U.S. goods more price competitive with French products that have traditionally dominated the CFA

¹⁷²—Continued

absence of historical trade ties, underdeveloped or inadequate transportation and telecommunications infrastructure and legal systems, unreliable power supplies, shortages of raw materials and skilled manpower, and civil strife and war. Also, regional economic dominance of South Africa and historic economic links to former European colonial powers have served to limit U.S. access of machinery products to these markets. The World Bank, *Adjustment in Africa* (Oxford: Oxford University Press, 1994).

¹⁷³ During 1996, the United States exported over \$1,000 of sector products to each of the other Sub-Saharan African countries, with the exception of São Tomé and Príncipe.

¹⁷⁴ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdoc.cgi/public/490'nigeria>, "Nigeria-Printing and Graphic Arts Material," *Market Research Reports*, Mar. 1, 1997.

¹⁷⁵ The countries of the CFA franc zone include: Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, Togo, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, and Gabon.

market.¹⁷⁶ Chad also enacted tax reforms designed to lessen the impact of the franc devaluation on imports of certain industrial goods and machinery.

In 1996, U.S. exports to the region consisted primarily of agricultural and horticultural machinery, parts, and accessories (21 percent of total); miscellaneous machinery (12 percent); air-conditioning equipment and parts (6 percent); industrial food processing machinery (6 percent); electric motors, generators, and related equipment (5 percent); and pumps for liquids (4 percent). Exports of these products accounted for \$414.5 million, or 54 percent of the value of U.S. sector exports in 1996, as shown below:

1996 leading sector imports	Million dollars	Percentage of total ¹
Agricultural and horticultural equipment	163.0	21
Miscellaneous machinery	94.0	12
Air-conditioning equipment and parts	45.2	6
Industrial food processing machinery	44.1	6
Electric motors and generators	35.7	5
Pumps for liquids	32.5	4
Others	352.0	46
Total	766.5	100

In many instances, there is virtually no local production or assembly of these products, so demand is satisfied principally through imports.¹⁷⁷ Many Sub-Saharan African governments currently offer programs designed to encourage the development of specific high-priority industrial sectors. For example, Malawi will suspend or defer import duties for a maximum of two years on machinery and equipment, especially capital equipment employed to manufacture products for export.¹⁷⁸ Malawi also grants duty exemptions on imported agricultural tractors and tax-free importation of irrigation systems and equipment. Burkina Faso offers partial or total exemptions of customs fees on imported equipment

¹⁷⁶ World Wide Web, retrieved June 19, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/1286'burkina>, "Burkina: Leading Sectors for U.S. Exports and Investments," *FY 1997 Country Commercial Guides*.

¹⁷⁷ World Wide Web, retrieved June 13, 1997, USDOC, National Trade Data Base (NTDB), <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/2136'>, "Zimbabwe: Leading Sectors for U.S. Exports & Investment," *FY 1997 Country Commercial Guide*.

¹⁷⁸ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, http://www.state.gov/www/about_state/business/com_guides/africa/malawi97.html, "Malawi," *FY 1997 Country Commercial Guide*.

and spare parts used in oil exploration, production, expansion, or for replacement equipment ordered due to technical malfunctions or accidents.¹⁷⁹ Guinea offers an exemption from customs duties and taxes on imports of plant and equipment during the project phase (maximum of two years) of an investment.¹⁸⁰ Ethiopia offers exemptions from import duties and taxes to both domestic and foreign investors for imported capital goods, equipment, and spare parts provided that imports are not available domestically.¹⁸¹ South Africa also offers special financing for imported machinery and equipment used to produce goods for export.¹⁸²

There is an important regional market for U.S. exports of agricultural and horticultural machinery and equipment, especially items such as small hand tractors and implements used by peasant farmers and irrigation equipment for large commercial farms. Other important markets exist for U.S. exports of textile machinery and equipment, pollution-control equipment, mineral processing and oil-field machinery, electric-power generation equipment, and packaging machinery.¹⁸³ Demand for imported food processing and packaging equipment grew as many local companies were forced to upgrade their processing, storage, distribution standards, and the attractiveness of their packaging as these markets were opened to import competition.¹⁸⁴ Demand for imported drilling equipment also expanded with the steady growth and investment in oil, gas, and mineral exploration, and due to successive droughts in southern Africa that increased the demand for access

¹⁷⁹ World Wide Web, retrieved June 19, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/288+burkina>. "Burkina: Investment Climate," *1997 Country Commercial Guides*.

¹⁸⁰ World Wide Web, retrieved June 19, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/801+guinea>, "Guinea: Investment Climate," *1997 Country Commercial Guides*.

¹⁸¹ World Wide Web, retrieved June 19, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ntdb/26725+ethiopia>, "Ethiopia: Investment Climate," *1997 Country Commercial Guides*.

¹⁸² World Wide Web, retrieved June 9, 1997, USDOC, NTDB, <http://www.south-africa.net/economy/investment.html#a5>, *Industrial Investment Incentives*.

¹⁸³ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/1690+south+africa> "South Africa: Leading Sectors for U.S. Exports and Investment," *1997 Country Commercial Guides*.

¹⁸⁴ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/2119+zambia>, "Zambia: Leading Sectors for U.S. Exports and Investment," *1997 Country Commercial Guides*.

to scarce potable water.¹⁸⁵ A growing import market also exists in Sub-Saharan Africa for used and reconditioned machinery and equipment as fiscal constraints and the relatively low purchasing power of the region's private sector continue to make the price of new equipment prohibitive.¹⁸⁶

U.S. imports from Sub-Saharan Africa rose \$26.1 million (49 percent) to \$79.5 million in 1996. South Africa was the leading source of U.S. imports of machinery from Sub-Saharan Africa during 1996, accounting for 94 percent of U.S. sector imports, as shown below.¹⁸⁷

1996 import sources	Million dollars	Percentage of total
South Africa	75.0	94
Mauritius	1.6	2
Kenya	1.1	1
Sierra Leone	0.3	0
Zimbabwe	0.3	0
Others	1.2	2
Total	79.5	100

U.S. imports from the region consisted principally of mineral processing machines (27 percent of total); miscellaneous machinery (23 percent); metal rolling mills and parts (9 percent); agricultural and horticultural equipment (8 percent); taps, cocks, and valves (6 percent); air-conditioning equipment (5 percent); and thermoprocessing equipment and furnaces (5 percent) as shown in the following tabulation:

¹⁸⁵ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/market/7679+nigeria>, "Nigeria-Water Supply Projects," *Market Research Reports*, June 14, 1996.

¹⁸⁶ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/1432+congo>, "Congo: Leading Sectors for U.S. Exports and Investment," *FY 1997 Country Commercial Guides*.

¹⁸⁷ During 1996, U.S. sector imports were less than \$1,000 from 24 countries in Sub-Saharan Africa including: Angola, Benin, Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Djibouti, Ethiopia, Eritrea, the Gambia, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mauritania, Mozambique, Rwanda, Somalia, Tanzania, Togo, and Uganda.

1996 leading sector imports	Million dollars	Percentage of total
Mineral processing machines	21.5	27
Miscellaneous machinery	18.1	23
Metal rolling mills and parts	7.5	9
Agricultural and horticultural equipment	6.6	8
Taps, cocks, and valves	5.0	6
Air-conditioning equipment and parts	4.2	5
Thermoprocessing/furnaces .	4.0	5
Others	12.6	16
Total	79.5	100

These items accounted for \$66.9 million (84 percent) of the value of total U.S. imports of machinery from Sub-Saharan Africa during 1996.

U.S. trade with Sub-Saharan Africa is likely to increase, albeit slowly, as the region's businesses modernize and upgrade their machinery in order to gain greater efficiencies and thereby meet the challenge of growing competition from imports. Demand for U.S. exports will also increase as U.S. exporters become more aware of the potential of the South African market. Continued support of development projects by the world's leading donor agencies also will likely result in increased demand for U.S. exports.

URA Developments Affecting Sector Trade and Investment

Tariff Changes

The dutiable value of imports of machinery and equipment from Sub-Saharan Africa more than doubled from \$6.5 million in 1995 to \$13.7 million in 1996. As a percentage of total imports dutiable value of imports grew from 12 percent in 1995 to 17 percent in 1996. South Africa, the leading source of dutiable imports, accounted for 75 percent (\$10.3 million) of the region's total in 1996. The ATWT on dutiable U.S. imports of machinery from Sub-Saharan Africa declined from 2.9 percent AVE in 1995 to 2.3 percent AVE in 1996. The ATWT on imports from South Africa declined from 2.8 percent AVE in 1995 to 2.1 percent AVE in 1996.

In January 1997, the USDOC approached South Africa's Ministry of Trade and Industry to request implementation of zero tariffs on large capacity top-loading washing machines as promised at the July 1996 Meeting of the Trade and Investment

Committee of the Binational Commission.¹⁸⁸ Previously, South Africa promised to bind the tariff for these machines during the Uruguay Round at free. However, South Africa reinterpreted the capacity measurements of washing machines from the United States, subjecting them to a duty as high as 30 percent *ad valorem*. The USDOC alleged that this action placed U.S. machines at a competitive disadvantage in South Africa and narrowed the product choices available to South African consumers at reasonable cost. Subsequently, South Africa, citing a tariff classification error agreed to reclassify such large capacity top-loading washing machines into a duty-free category and to reimburse duties collected since April 1994.¹⁸⁹

On January 21, 1997, the Finance Ministry of the former government of Zaire published a revised tariff schedule that included substantial cuts in import duty rates on goods such as heavy equipment (5 percent duty) and light industrial products (15 percent duty).¹⁹⁰ Also, effective March 1, 1997, tariffs on capital goods were removed by the Government of Zimbabwe to protect its manufacturing and agricultural sectors.¹⁹¹

Other URA Developments

No additional URA provisions in 1996 were identified that would significantly affect U.S.-Sub-Saharan Africa trade in the machinery sector.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

Duty-free imports of machinery and equipment under the GSP from Sub-Saharan Africa increased by \$19.3 million (49 percent) during 1995-96 to \$58.4 million. South Africa dominated GSP imports during 1996, accounting for \$58.3 million, or more than 99 percent of the total from the region. In 1996, GSP

¹⁸⁸ U.S. Dept. of State cable, "Letter on Washing Machine Tariff," message reference No. 000062, prepared by U.S. Embassy, Pretoria, Jan. 4, 1997.

¹⁸⁹ U.S. Dept. of State, "South Africa: 1997 Draft National Trade Estimate Report," message reference No. 001143, prepared by U.S. Embassy, Pretoria, Feb. 6, 1997.

¹⁹⁰ U.S. Dept. of State, "New Tariff Schedule for Zaire," message reference No. 001450, prepared by U.S. Embassy, Kinshasa, Mar. 3, 1997.

¹⁹¹ U.S. Dept. of State, "Zimbabwe: Prospects for Economic and Social Growth," message reference No. 001718, prepared by U.S. Embassy, Harare, Feb. 21, 1997.

imports from South Africa consisted primarily of mineral processing machinery (34 percent of total); miscellaneous machinery (29 percent); metal rolling mills and parts (11 percent); and taps, cocks, valves, and similar devices (6 percent):

1996 leading GSP sector imports	Million dollars	Percentage of total
Mineral processing machinery	19.7	34
Miscellaneous machinery	16.8	29
Metal rolling mills and parts ..	6.6	11
Taps, cocks, and valves	3.6	6
Air-conditioning equipment and parts	3.4	6
Thermoprocessing/furnaces ..	3.1	5
Others	5.2	9
Total	58.4	100

New projects sponsored by The Eximbank, TDA, and OPIC provide additional market potential for U.S. machinery and equipment. During 1996-97, Eximbank approved a \$23.3 million loan for drilling equipment, pumps, and irrigation systems for the Zimbabwe Ministry of Finance, supported the finan-

cing of \$326 million in sales of U.S. oil and gas production equipment and services to Ghana, and supported a \$253 million project in that country to develop the Tano offshore natural-gas field and build pipelines to carry fuel to a 130-megawatt (MW) "barge-mounted" electric-power plant through long-term guarantees.¹⁹² Grants for feasibility studies sponsored by the TDA for Sub-Saharan Africa during FY 1996-97 included the projects listed in table 1-4.

Multilateral Lending

Opportunities exist for U.S. machinery sales in a number of assistance projects financed by various donor agencies. In July 1996, Zimbabwe Electricity Supply Authority (ZESA) received a loan from the World Bank's International Bank of Reconstruction and Development (IBRD) towards the installation, refurbishment, and commissioning of a dust-suppression and coal-management system for the

¹⁹² World Wide Web, retrieved June 13, 1997, Export-Import Bank of the United States, <http://www.exim.gov/press/apr.0596.html>. "EX-IM Bank Supports U.S. Exports to Ghana Power Project," *EX-IM Press Releases*, Apr. 5, 1996 .

Table 4-1
Selected TDA-sponsored projects, FY 1996-97

Country	Type of project	TDA commitment
Angola	Rehabilitation of a sugar plantation and mill	Not reported
Angola	Expansion of a fish-processing facility	Not reported
Benin	Construction of a gas-fired power plant	Not reported
Botswana	Coal-powered plant	Not reported
Kenya, Namibia, Swaziland, Tanzania, Uganda, and Zimbabwe	Various power-generation projects	Not reported
Malawi	Support for Water Department officials to attend the North American Water and Environmental Congress and visits to various U.S. equipment suppliers and utilities	\$67,781
Mozambique	Development of the Alto Malema hydroelectric power plant	\$300,000
Mozambique and Swaziland border region	Evaluation of construction of an electric-power transmission interconnector	\$295,000
Senegal	90 MW power plant	\$443,000
Senegal	Solid-waste management system for the city of Dakar	\$180,000
South Africa	Partial funding towards a \$200,000 feasibility study of the Makatini Sugar Mill near KwaZulu-Natal	\$150,000
Zambia	Partial funding to assess the proposed Itezhi-tezhi hydroelectric plant	\$100,000

Sources: World Wide Web, retrieved June 16, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdics.cgi/public/ccg/1640?senegal>, "Senegal: Leading Sectors for U.S. Exports and Investment," *1997 Country Commercial Guides*; World Wide Web, retrieved June 19, 1997, TDA, <http://www.206.65.84.22/docs/press.html#southafrica>, *TDA Signs Grants in South Africa for Airport, Sugar Mill Projects*; World Wide Web, retrieved June 19, 1997, TDA, <http://www.206.65.84.22/docs/press.html#southafrica>, *TDA by Region*; and World Wide Web, retrieved June 20, 1997, TDA, <http://www.tda.gov/docs/africame.html>, *TDA Projects*, Mar. 1997.

Hwange Power Station expansion project.¹⁹³ Zimbabwe also secured IBRD loans for workshop equipment and cranes for Hwange, equipment for a water pumping plant, and mechanical equipment for its Masvingo and Hatcliffe sewage-treatment facilities.¹⁹⁴

During 1996, the AfDB agreed to assist several of the region's governments with purchases of machinery and equipment through loans and credits.¹⁹⁵ Recently, the AfDB received \$3 billion in soft loans from donor countries to fund water-development projects through year 1998.¹⁹⁶ In addition, the AfDB loans enabled Côte d'Ivoire to acquire imported material-handling equipment (cranes) and Ghana to obtain imported scientific equipment, wheeled loaders and tractors, and sawmill/carpentry machinery. In 1997, the African Enterprise Fund (AEF) sponsored a project establishing a gemstone polishing and cutting plant (primarily of emeralds for export) in Zambia. Machinery for this project will be sourced from Israel, however. Multilateral agencies have also pledged \$170 million over the years 1996-2001 to provide Senegal's water utility company with new equipment.¹⁹⁷

Sub-Saharan Africa also received assistance from both international organizations such as the European Investment Bank and the Nordic Fund and from development agencies of Germany, France, Canada, Japan, and others. Since 1994, Japan has vowed to contribute more than \$1 billion in soft loans to South Africa for water-augmentation projects, road reconstruction, railway modernization, and electricity-supply projects.¹⁹⁸ In September 1995,

South Africa signed a ¥5 billion (\$49.8 million¹⁹⁹) loan agreement with Japan's Industrial Development Corporation to finance the purchase of Japanese machinery and consulting services.²⁰⁰ During FYs 1994-96, the Japanese Export-Import Bank (JEXIM) agreed to provide two untied loans to South Africa for infrastructure projects (port and railway facilities) and co-sponsored a \$16 million project in Mauritius with the World Bank to modernize and upgrade port facilities. The agreements will generate demand for imported material-handling equipment such as cranes.²⁰¹ JEXIM also approved direct export loans to South Africa (¥650.7 billion or \$6.5 billion²⁰²) for the purchase of Japanese equipment and services and to Zimbabwe for construction and cargo-handling equipment.²⁰³ Nigeria, Angola, Gabon, Côte d'Ivoire, Kenya, Central African Republic, Uganda, and Madagascar also received development assistance from Japan during 1994-97.²⁰⁴

The Canadian International Development Agency (CIDA) provided official development assistance for upgrading hydroelectric utilities in Zambia's Zambezi Basin, mini-hydro plants in Zimbabwe, urban solid-waste management systems for the cities of Cotonou and Porto Novo in Benin, upgrading of Guinea's power distribution system in the Conakry-Kindia region, institutional support program for Guinea's fisheries sector, and water-management projects in Ethiopia and Kenya.²⁰⁵

¹⁹³ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdoc.cgi/public/market/1813> "Zimbabwe," *Market Research Reports*.

¹⁹⁴ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdoc.cgi/public/tophis/1464> "Zimbabwe," "Zimbabwe HS: 8426 W Foreign Gov 961218," *Previous Trade Opportunity Program Leads*, Dec. 18, 1996.

¹⁹⁵ World Wide Web, retrieved June 13, 1997, USDOC, NTDB and Economic Bulletin Board, <http://www.stat-usa.gov/BEN/inqprogs2/webdoc.cgi/public/tophis>.

¹⁹⁶ World Wide Web, retrieved June 13, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdoc.cgi/public/market/6337> "zimbabwe," *Africa-Water Projects, Market Research Reports*, 1997.

¹⁹⁷ World Wide Web, retrieved June 16, 1997, USDOC, NTDB, <http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/1640> "senegal," "Senegal: Leading Sectors for U.S. Exports and Investment," *1997 Country Commercial Guides*.

¹⁹⁸ U.S. Dept. of State, "Japanese Involvement in South and Southern Africa," message reference No. 000436, prepared by U.S. Embassy, Johannesburg, Apr. 17, 1997.

¹⁹⁹ Calculated from the monthly average exchange rate of 100.49 ¥/\$ for September 1995. IMF, Exchange rates, market rate, period average, line *rf*, Country Tables, Japan, *International Monetary Statistics*, vol. 49, No. 6, (June 1996), p. 341.

²⁰⁰ Ibid.

²⁰¹ World Wide Web, retrieved July 7, 1997, JEXIM, <http://www.japanexim.go.jp/PressRelease/>, *News Releases*, FY 1995 and FY 1996.

²⁰² Calculated from the monthly average exchange rate of 100.49 ¥/\$ for September 1995. IMF, *International Monetary Statistics*.

²⁰³ World Wide Web, retrieved July 7, 1997, JEXIM, <http://www.japanexim.go.jp/PressRelease/1995-E/NR95-45.html>, "September Activity," *News Release*, Oct. 19, 1995.

²⁰⁴ World Wide Web, retrieved July 7, 1997, Japan External Trade Organization (JETRO), <http://www.jetro.go.jp/WHITEPAPER/INVEST97/inv2-5-2.html>, *Africa-Growing Number of Countries Receiving Investment*.

²⁰⁵ World Wide Web, retrieved July 3, 1997, CIDA, http://w3.acdi-cida.gc.ca/cida_ind.nsf/, *Africa and Middle East*, Feb. 1997.

Electronic Products, Medical Equipment, and Precision Manufactures²⁰⁶

Overview

Electronic products, medical equipment, and precision manufactures (electronics and related products) accounted for 12 percent of total U.S. exports but less than 1 percent of total U.S. imports from Sub-Saharan Africa in 1996. Production of sector products in the region is minimal and most countries must depend on imports to fill demand. As a result, the United States maintains a \$676.6 million trade surplus in electronics and related products with the region, down slightly (\$27.3 million or 4 percent) from the 1995 level.

Annual U.S. sector-products export growth (averaging 5.4 percent during 1992-96) was driven primarily by private and public sector efforts to improve computer networks and communication infrastructures within the region. South Africa continued to be the largest market for U.S. sector products, accounting for 70 percent of total U.S. exports of electronics and related products in 1996. Other major export markets included Nigeria (5 percent), Angola (3 percent), Ghana (3 percent), and Zimbabwe (2 percent), as shown below:

1996 export markets	Million dollars	Percentage of total
South Africa	511.2	70
Nigeria	38.3	5
Angola	22.4	3
Ghana	21.6	3
Zimbabwe	11.5	2
Others	124.1	17
Total	729.1	100

U.S. sector exports to Sub-Saharan Africa decreased by \$23.0 million (3 percent) from the 1995 level, to \$729.1 million in 1996. Sharp rises in exports to Ghana, Sudan, Tanzania, Cameroon, and Togo, among others, were insufficient to offset declines in exports totaling \$32.1 million to the three largest regional markets of South Africa, Nigeria, and

²⁰⁶ The electronics and related products sector includes computers and peripherals, semiconductors, electronic components, blank and recorded media, consumer electronics, telephone and telegraph apparatus, office equipment, optical fibers, photographic equipment and supplies, navigational and surveying instruments, medical equipment, and watches and clocks.

Angola. Further, the depreciation of the South African rand from 3.65 R/\$ to 4.45 R/\$ in the first half of 1996 dampened South African demand for U.S. sector exports.²⁰⁷

The largest sector export categories in 1996 were automatic data processing (ADP) equipment (30 percent of total), measuring, testing, controlling and analyzing instruments (11 percent), and medical goods (9 percent), as shown below:

1996 leading sector imports	Million dollars	Percentage of total ¹
ADP equipment	220.0	30
Measuring, testing, controlling, and analyzing instruments	83.2	11
Medical goods	68.8	9
Radio apparatus	62.0	9
Telephone and telegraph apparatus	54.4	7
Prerecorded media	53.8	7
Others	186.9	26
Total	729.1	100

¹ Because of rounding, figures may not add to the total shown.

Product categories experiencing the greatest increases in 1996 were radio apparatus (\$4.0 million or 7 percent of total) and office machines (\$3.9 million or 32 percent). The categories with the greatest decreases were ADP equipment (\$16.2 million or 7 percent), prerecorded media (\$6.4 million or 11 percent), and telephone and telegraph apparatus (\$5.6 million or 9 percent).

The U.S. sectors with the best prospects in South Africa reportedly are computers and peripherals, computer software, medical equipment, and telecommunications equipment.²⁰⁸ The entry or re-entry of international software companies into the South African market is resulting in intense competition, with U.S. companies dominating the list of newcomers. Approximately 86 percent of personal computer (PC) software originates from the United States, with the balance from Israel and Germany. Growth of the software market in the next 2 to 3 years is estimated at 20-21 percent.²⁰⁹

U.S. imports of electronics and related products from Sub-Saharan Africa, consisting primarily of various types of ADP equipment and parts, telecommunications, and semiconductors, increased

²⁰⁷ World Wide Web, retrieved June 25, 1997, USDOC, ITA, <http://www.ita.doc.gov/uscs/ccgosaf.html>, "South Africa," *1997 Country Commercial Guides*.

²⁰⁸ World Wide Web, retrieved June 25, 1997, USDOC, <http://www.stat-usa.gov/bems/bemssoaf/bestsoaf.txt>, *Best U.S. Export Prospects for South Africa*.

²⁰⁹ World Wide Web, retrieved June 27, 1997, USDOC, <http://www.stat-usa.gov/BEN/subject/trade.html>, "South Africa," *Country Commercial Report*.

\$4.3 million (9 percent) above the 1995 level, to \$52.4 million in 1996. U.S. imports from the region were relatively insignificant, reflecting the absence of any notable direct investment in manufacturing facilities by major electronics firms. Mauritius,²¹⁰ South Africa, and Côte d'Ivoire²¹¹ were the largest suppliers of electronic products, together accounting for 82 percent of U.S. sector imports from the region in 1996, as shown below:

1996 import sources	Million dollars	Percentage of total
Mauritius	15.5	30
South Africa	14.9	28
Côte d'Ivoire	12.6	24
Kenya ¹	3.8	7
Cameroon	1.5	3
Others	4.1	8
Total	52.4	100

¹ About \$1.8 million in imports of ADP equipment from Kenya were defective goods being returned to the United States. According to industry sources, there is no ADP equipment production in Kenya.

Sources of U.S. sector imports with the greatest growth from 1995 to 1996 were South Africa (\$3.7 million or 33 percent), Côte d'Ivoire (\$3.1 million or 32 percent), and Cameroon (\$0.8 million or 116 percent). Products with the greatest import growth during 1995-96 were semiconductors (\$4.3 million or 80 percent) and office machines (\$2.7 million or 32 percent).

Given the region's need for improved telecommunications and widespread computing power, industries in which the United States is a global leader, sector exports by the United States to Sub-Saharan Africa are likely to grow. A trend towards the privatization of telecommunications will provide additional opportunities for U.S. producers. Infrastructure improvements are being funded by the international donor community, in some cases under the auspices of the World Bank. Such improvements should benefit U.S. producers and vendors of ADP equipment and computer software. However, problems with protecting intellectual property continue to plague the U.S. computer software and

²¹⁰ The major product imported from Mauritius in 1996 was sunglasses; certain optical goods are included with more traditional electronic products in this sector for the purposes of this report. Also, an examination of customs data showed that about \$4.5 million in imports of ADP equipment were incorrectly reported, and were not the product of Mauritius.

²¹¹ The major product imported from Côte d'Ivoire was photocopiers, amounting to over \$10 million in 1996. An examination of customs data showed that these imports were incorrectly reported, and likely not the product of Sub-Saharan Africa.

motion picture industries, despite pledges by Sub-Saharan African countries to increase protection.

URA Developments Affecting Sector Trade and Investment

Tariff Changes

The ATWT for electronics and related products imported from Sub-Saharan Africa declined from 4.0 percent AVE in 1995 to 3.6 percent AVE in 1996. The dutiable value of sector imports from Sub-Saharan Africa increased by \$0.5 million (3 percent) to \$20.9 million. Côte d'Ivoire accounted for 59 percent of dutiable sector imports, from which imports increased by \$3.2 million (35 percent) to \$12.4 million. The country with the most significant decrease in dutiable value was Mali, from which U.S. dutiable imports fell by \$1.8 million (97 percent) to less than \$0.1 million.

Dutiable imports of office machines accounted for 51 percent of dutiable sector imports, having risen by \$2.2 million (27 percent) to \$10.6 million in 1996. Dutiable imports of audio/video recording/reproducing apparatus fell by \$1.1 million (82 percent) to \$0.2 million, corresponding to the decreased imports from Mali, and imports of radio apparatus fell by \$0.9 million (51 percent) to \$0.8 million.

Other URA Developments

Kenya is in the process of amending its intellectual property laws to conform to the World Intellectual Property Organization guidelines and international conventions. The Copyright Act was amended in late 1996 to provide protection for computer programs. Literary, musical, and artistic works were already protected. Penalties for infringement remain low, and enforcement and the understanding of the importance of intellectual property is poor. Protection of intellectual property may improve following the launch in April 1997 of a new licensing system by associations of authors, publishers and designers.²¹²

²¹² World Wide Web, retrieved July 29, 1997, U.S. Dept. of State, <http://www.newsedge/View/Limited>, U.S. Dept. of State cable, "Kenya: 1997 Investment Climate Statement," message reference No. 011311, prepared by U.S. Embassy, Nairobi, July 18, 1997.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

U.S. sector imports under GSP declined by \$0.6 million (5 percent) to \$11.3 million in 1996; compared to all U.S. sector imports, GSP imports declined from 25 percent in 1995 to 22 percent in 1996. South Africa and Mauritius accounted for 47 percent and 40 percent of GSP trade in 1996, respectively.

1996 leading GSP sector imports	Million dollars	Percentage of total¹
South Africa	5.3	47
Mauritius	4.5	40
Madagascar	0.8	7
Kenya	0.3	3
Senegal	0.2	2
Others	0.2	2
Total	11.3	100

¹ Because of rounding, figures may not add to the total shown.

Half the trade under GSP was for sunglasses, of which Mauritius accounted for over 80 percent (\$4.5 million) of that product.

No domestic legislation was identified that addressed trade in the electronics and related products sector with Sub-Saharan Africa in 1996. Furthermore, there were no significant changes in U.S. policies and programs affecting U.S. investment in the electronics industries in the region.

Policy Developments in Sub-Saharan Africa

Botswana

Embodying the new telecommunications liberalization policy,²¹³ the Botswana Telecommunications Corporation Law of 1996 ends Botswana Telecommunications Corporation's (BTC) monopoly over telecommunications services. To entice new

²¹³ The Ministry of Works, Transport, and Communications issued a new national telecommunications policy paper in December, 1995. The new policy moves towards sector liberalization and commits Botswana to the key principles of "competition," "the private sector," "transparency," "regulation," and "consumer protection."

competitors, particularly foreign investors who can bring expertise, new technologies, and capital to bear on the sector, the national telecom policy calls for favorable tax and incentive packages as offered to industrial investors in other sectors of the economy. The law also permits BTC to enter into joint ventures or partnerships with private investors and operators. However, the law does not mandate the privatization of the national operator.²¹⁴

South Africa

South Africa's telephone system is the best developed, most modern, and most extensive in Africa, with almost 40 percent of all the telephones on the continent.²¹⁵ However, it continues to lag far behind those of industrialized nations. Telkom S.A., the state-owned monopoly telecommunications provider, is bringing basic telephony infrastructure to the majority of South Africa. To this end, the Ministry of Post & Telecommunications and Broadcasting (MPTB) is searching for an equity partner for Telkom.²¹⁶ The MPTB indicated that a diverse consortium will likely be preferred over a sole bidder.²¹⁷

In November 1996, the Government of South Africa passed the Telecommunications Act of 1996, which provides a framework for liberalization.²¹⁸ Among other elements, it creates a regulatory body separate from both the national operator and the MPTB, and establishes funds for universal service and human-resource development along with corresponding oversight agencies.

Tanzania

A number of U.S. companies have already invested in telecommunications in Tanzania, and a number of others are investigating the possibility of moving into the market. Major competitors for supplying the facilities include Japan, Germany, and Great Britain. Cellular telephones have already been introduced in one of the four zones in Tanzania by Millicom International, a joint-venture project based in the United States and Europe. This venture met

²¹⁴ World Wide Web, retrieved July 23, 1997, Southern Africa Regional Telecommunications Restructuring (RTR) Program, <http://rtr.worldweb.net/botsp1.htm>, RTR, *Botswana: Telecom Sector Profile*.

²¹⁵ World Wide Web, retrieved July 29, 1997, Central Intelligence Agency (CIA), <http://www.odci.gov/cia/publications/nsolo/factbook/sf.htm>, "South Africa," *CIA World Factbook 1996*.

²¹⁶ USDOC, "South Africa," *Country Commercial Report*.

²¹⁷ World Wide Web, retrieved July 23, 1997, RTR, <http://rtr.worldweb.net/safsect.htm>, "The Southern Africa Regional Telecommunications Restructuring (RTR) Program," Jan. 1997.

with outstanding success and as a result the Tanzanian Government is looking to expand outside investment in this sub-sector. A joint-venture company between Malaysia and Tanzania known as TRITEL is providing similar services for the coastal zone.

Zimbabwe

Pressure has been mounting within Zimbabwe for the liberalization of the telecom sector and even the privatization of the Posts and Telecommunications Corporation (PTC). Retrofit Ltd., a private Zimbabwe-owned and operated company, challenged the PTC's monopoly in court on the basis that the poor and limited services offered infringed upon freedom of expression. Following a favorable Supreme Court ruling, EcoNet, a Retrofit Ltd. subsidiary, is moving forward with plans to provide cellular services nationwide. In response, the PTC is currently planning to launch its own competing cellular network.²¹⁹

Multilateral Lending

Tanzania

Rehabilitation of the telecommunication sector is being financed by the international donor community through the Tanzania Telecommunication Company, Limited (TTCL). In addition to attracting international financing, the Tanzanian Government is interested in attracting private investment in certain areas of the telecommunications sector, such as the cellular communications sub-sector. The international donor community is also sponsoring a 5-year, \$250 million program to rehabilitate and expand the existing telephone network.²²⁰

Zimbabwe

Recommendations have been made under the auspices of a World Bank-funded project to create an independent regulatory body to govern telecommunications in Zimbabwe. Currently, all decisions regarding tariffs, licensing, etc. are made by PTC, a government-owned monopoly. As with calls for a new holding company, the Government is taking the recommendation under consideration.

²¹⁸ Ibid.
²¹⁹ World Wide Web, retrieved July 23, 1997, RTR, <http://rtr.worldweb.net/zimpr1.htm>, RTR, *Zimbabwe: Telecom Sector Profile*.

²²⁰ USDOC, "Tanzania," *Country Commercial Report*.

Transportation Equipment²²¹

Overview

Transportation equipment continued to be the leading sector for U.S. exports to Sub-Saharan Africa, accounting for 28 percent of total U.S. exports to the region in 1996. The U.S. trade surplus with Sub-Saharan Africa in this sector increased by \$506.4 million (45 percent) in 1996 to reach \$1.6 billion.

U.S. exports of transportation equipment to Sub-Saharan Africa increased by \$523.2 million (44 percent) in 1996 to \$1.7 billion. Sector exports to the region were concentrated in the aircraft, construction and mining equipment, and automotive industries. The five leading markets in the region for U.S. exports accounted for nearly three-quarters of total sector exports to the region:

1996 export markets	Million dollars	Percentage of total
South Africa	595.8	35
Nigeria	327.3	19
Angola	134.1	8
Ghana	99.3	6
Seychelles	97.8	6
Others	449.1	26
Total	1,703.4	100

In 1996, South Africa was the leading market for U.S. exports of transportation equipment, accounting for 35 percent of sector exports to the region. Leading transportation equipment exports to South Africa included parts for airplanes and helicopters, general aviation aircraft, parts for drilling derricks, off-highway dump trucks, motor vehicle parts, truck tractors, and certain trucks. U.S. exports of general aviation aircraft to South Africa, the fourth-leading U.S. export to South Africa overall, increased by 79 percent in 1996. This is attributable to the dramatic increase in tourism in South Africa, which has caused increased demand for flights and hence for aircraft.²²²

Nigeria and Angola accounted for 19 percent and 8 percent, respectively, of U.S. transportation equipment exports to the region in 1996. Parts for

²²¹ The transportation equipment sector includes motor vehicles and motor-vehicle parts; aircraft and spacecraft; railroad locomotives and rolling stock; ships, tugs, and pleasure boats; construction and mining equipment; miscellaneous vehicles; and engines.

²²² Ethiopia, not typically a source of transportation equipment, accounted for 8 percent of U.S. sector imports in 1996. These imports were classified as aircraft engines, and most likely represent the resale of engines by an Ethiopian airline, since there is no local production of aircraft engines in Ethiopia.

boring and sinking machinery were the leading U.S. export to both of these countries, accounting for 32 percent and 29 percent, respectively, of total U.S. sector exports to these countries. Other types of transportation equipment exported to Nigeria and Angola included various types of construction, mining, and drilling equipment parts; certain vessels; general aviation aircraft; truck tractors; and passenger vehicles.

In terms of percentage changes, exports to South Africa (the largest market) and Angola (the third-largest market) increased modestly, by 18 percent (\$89.0 million) and 19 percent (\$21.4 million), respectively. However, percentage changes in exports to Nigeria (the second-largest market) and Ghana (the fourth-largest market) increased substantially, by 88 percent (\$152.9 million) and 195 percent (\$65.7 million), respectively. U.S. exports of parts for boring and sinking machinery to Nigeria, which accounted for 32 percent of all U.S. exports to that country, rose by \$165 million (183 percent) to \$255.8 million in 1996. U.S. exports of drilling derricks parts to Ghana, which accounted for 11 percent of all U.S. exports to that country, rose by \$22.7 million (242 percent) to \$32.1 million in 1996. Notably, the United States exported \$96.0 million and \$59.0 million in aircraft over 15,000 kg to Seychelles and Cape Verde, respectively, in 1996; there were no such exports to those countries in 1995.

U.S. transportation equipment imports from Sub-Saharan Africa increased \$16.8 million in 1996 (31 percent) to \$70.7 million. Major products imported from the region included motor vehicle parts and parts for railway or tramway locomotives and rolling stock. U.S. sector imports from the region were almost exclusively from South Africa, which accounted for 89 percent of U.S. transportation equipment imports in 1996:

1996 import sources	Million dollars	Percentage of total
South Africa	63.0	89
Ethiopia	6.0	8
Mauritius	0.6	1
Zimbabwe	0.4	1
Kenya	0.1	0
Others	0.6	1
Total	70.7	100

Imports from South Africa increased \$10.9 million (21 percent) in 1996, and imports from Ethiopia rose from none in 1995 to \$6.0 million in 1996.²²³ The largest gains were registered in motor

²²³ World Wide Web, retrieved June 6, 1997, STAT-USA, <http://www.stat-usa.gov/BEN/databases.html>, USDOC, "South Africa: Economic Trends and Outlook," *Country Commercial Guides*.

vehicle parts (\$9.8 million or 42 percent), aircraft engines and gas turbines (\$3.7 million or 95 percent), and motor vehicles (\$2.0 million or 27 percent). In contrast, U.S. imports of ships, tugs, and pleasure boats from the Sub-Saharan region fell by \$2.3 million (66 percent) in 1996.

Some tariffs were reduced for principal U.S. sector exports to Sub-Saharan Africa in 1996. While there is currently some restructuring and downsizing in the mining industries of South Africa, overall trends in both U.S. and Sub-Saharan African policies favor continued growth in U.S. trade in transportation equipment with the region. These trends include continued U.S., African, and multilateral project financing, and reform of domestic policies in Sub-Saharan Africa to encourage infrastructure development and promote the long-term health of the mining sector. In addition, the promotion of tourism, particularly in South Africa, will provide opportunities for U.S. transportation equipment exports.

URA Developments Affecting Sector Trade and Investment

Tariff Changes

The U.S. ATWT for transportation equipment was 3.0 percent AVE in 1996, down from 3.4 percent AVE in 1995. In 1996, Sierra Leone led the region with the highest ATWT of 7.7 percent AVE, Côte d'Ivoire followed with an ATWT of 6.2 percent AVE, and Kenya with an ATWT of 3.3 percent AVE. The dutiable value of U.S. imports from the region in 1996 reached \$20.9 million, a \$3.5 million (20 percent) increase over the 1995 amount. South Africa accounted for \$20.2 million (97 percent) of the dutiable value of U.S. imports in 1996.

Tariff rates levied on the leading U.S. exports to Sub-Saharan Africa ranged from free to 25 percent *ad valorem* in 1996. Reductions were made in two significant areas in 1997: South Africa reduced the tariffs on imported parts for derricks from free-22 percent to free-7 percent *ad valorem*, and Angola adjusted the tariffs on imported parts for boring and sinking machinery from 1-4 percent to 2-3 percent *ad valorem*.²²⁴

As an exception to its market access offer for the Uruguay Round, South Africa's automotive industry has a maximum of 8 years, instead of 5, to make its tariff adjustments.²²⁵ The tariff on passenger cars and

²²⁴ USDOC, Office of Africa, facsimiles to USITC staff, June 18-19, 1997.

²²⁵ World Wide Web, retrieved June 6, 1997, STAT-USA, <http://www.stat-usa.gov/BEN/databases.html>, USDOC, "South Africa: Trade Regulations and Standards," *Country Commercial Guides*.

light trucks will decrease to 40 percent *ad valorem* by the year 2002, and the tariff on medium and heavy trucks will be reduced to 20 percent *ad valorem* by the year 2000.²²⁶ The current rates are 57.5 percent *ad valorem* for passenger cars and light trucks, and 32 percent *ad valorem* for medium and heavy trucks.²²⁷ Furthermore, South Africa also assesses a 5 to 15 percent surcharge on motor vehicles, a 14 percent value-added tax (VAT), and a 40 percent excise tax.²²⁸

Other URA Developments

In June 1996, the U.S. Department of State reported that import credits, allowances, and export-oriented rebates offered under South Africa's Motor Industry Development Program (MIDP)²²⁹ appeared to create several tariff and nontariff barriers to protect the South African automotive industry, which may possibly conflict with the WTO. However, the State Department further explained that the program does not appear to constitute a trade-related investment measure (TRIM).²³⁰ The automotive industry in South Africa is one of only four industries in which performance requirements are imposed as a condition for establishing, maintaining, or expanding an investment, or for access to tax and investment incentives. These incentives, however, apply equally to domestic and foreign investment.²³¹

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

GSP imports of transportation equipment from the Sub-Saharan region increased by \$7.8 million (27

²²⁶ World Wide Web, retrieved June 19, 1997, <http://stat-usa.gov>, "South Africa," *World Motor Vehicle Import Requirements*.

²²⁷ USDOC, Office of Africa, facsimile to USITC staff, July 17, 1997.

²²⁸ World Wide Web, "South Africa," *World Motor Vehicle Import Requirements*.

²²⁹ The MIDP was initiated in September 1995 to increase local manufacturing and domestic content by offering several export-oriented rebates, allowances, and import credits for South African producers of cars, trucks, and components.

²³⁰ U.S. Dept. of State cable, "South Africa: WTO TRIMs Compliance (Part I: The Automotive Sector)," message reference No. 005443, prepared by U.S. Embassy, Pretoria, June 1996.

²³¹ USDOC, "South Africa -Investment Climate - IMI960910," *Market Research Reports*, Sept. 10, 1996.

percent) during 1995-96 to \$36.6 million, and accounted for 52 percent of sector imports in 1996. South Africa was the principal beneficiary, accounting for \$36.5 million (over 99 percent) of all sector GSP imports from the region. Motor vehicle parts showed the greatest gain in 1996, with GSP imports increasing by \$8.6 million (48 percent) to \$26.5 million in 1996. Other sector products included ships, tugs, and pleasure boats, of which GSP imports decreased by nearly \$2.0 million (88 percent) to \$279,000 in 1996. Transportation equipment imports also entered under the GSP program from Kenya (aircraft and other engines, and motor vehicle parts) and Ghana (parts for construction and mining equipment). To date, changes to the GSP program did not appear to have caused any shifts in types of transportation equipment traded between the United States and Sub-Saharan Africa. However, railway axles from South Africa were added to the list of GSP-eligible products, effective May 31, 1997.²³²

The United States' interest in actively promoting U.S. investment in Sub-Saharan Africa, offers greater transportation equipment export possibilities. In FY 1996, OPIC insured 10 new projects and the expansion of four existing projects in African countries. An additional 10 projects are scheduled to receive OPIC insurance coverage in FY 1997.²³³ In 1996, Eximbank approved over \$23 million in transactions for the gold mining sector in Ghana, and an additional \$316 million for the hydrocarbon sector in that country. The bank also financed a major petroleum project in Angola,²³⁴ issued \$1.3 billion in letters of interest in Africa in 1996, and used escrow accounts to limit risk for infrastructure projects in less credit-worthy markets.²³⁵

As of December 1996, the TDA released a list of 47 transportation projects in 24 African nations with an estimated U.S. services and equipment export potential of \$2.75 billion. Among these projects are highway and road projects in Ghana, Zambia, Malawi, and Tanzania; a railway project in Mozambique; and an airport rehabilitation project in Zimbabwe. The estimated total capital cost of these projects is \$11 billion.²³⁶ Examples of FY 1996 TDA-funded "reverse trade missions" that could also result in increased exports of U.S. transportation equipment

²³² "USTR Announces Duty-Free Benefits For Countries in Sub-Saharan Africa," *BNA International Trade Daily*, article No. 41571002, June 6, 1997.

²³³ USDOC, "Africa - Federal Trade Report - IMI970331," *Market Research Reports*, Mar. 31, 1997.

²³⁴ *Ibid.*

²³⁵ *Ibid.*

²³⁶ "Overlooked African Market Offers \$2.75 Billion in Projects," *Roads and Bridges*, Dec. 1996, p. 18; and "U.S. Corporations Vie for Africa Transport Contracts," received by NEWSEDGE/LAN, Sept. 18, 1996.

included regional airport rehabilitation in Zimbabwe; a port development and expansion orientation visit for 12 African port officials; a transportation seminar and orientation visit (to highlight opportunities throughout Africa in the port, rail, aviation, and road sectors); a water-sector seminar and orientation visit (on pending projects in water supply, waste-water treatment, and sewerage); and a small-aircraft executives orientation visit for airline executives of 10 Africa nations.²³⁷

As a new initiative, the U.S. Government is to establish an interagency group on private infrastructure promotion for Africa to help focus and refine proposals for support of privatization and new private infrastructure projects.²³⁸ The trend toward infrastructure privatization in Sub-Saharan Africa is expected to result in the development of new, needed infrastructure, and better maintenance of existing infrastructure, thereby fostering additional demand for U.S. transportation equipment.

Policy Developments in Sub-Saharan Africa

The public sector in Sub-Saharan Africa dominates the provision of infrastructure, but under-investment and poor maintenance prevail. According to the World Bank, timely road maintenance expenditures of \$12 billion would have saved road reconstruction costs of \$45 billion between 1984 and 1994.²³⁹ The World Bank reports that there is a strong movement toward private provision of infrastructure services as a means to improved economic conditions. In addition, the need for regional coordination vis-a-vis infrastructure funding and maintenance is being recognized in Sub-Saharan Africa.²⁴⁰

South Africa

While \$3.9 billion in mining projects are currently under way in South Africa, and another \$4 billion or so in mining projects are reportedly under consideration,²⁴¹ South Africa's mining industry is in a state of steady decline due to rising costs, falling productivity, labor unrest, declining ore grades, and

²³⁷ World Wide Web, retrieved June 6, 1997, TDA, <http://www.tda.gov/docs/africame.html>, "U.S. Trade and Development Agency: Africa and the Middle East," *TDA Projects*.

²³⁸ USDOC, "Africa - Federal Trade Report," *Market Research Reports*.

²³⁹ *Ibid.*

²⁴⁰ *Ibid.*

²⁴¹ World Wide Web, retrieved June 18, 1997, Mbendi: Information for Africa, <http://mbendi.co.za/indy/ming/mingsa.htm>, "South Africa - Mining Industry Profile."

intense regional competition.²⁴² As a result, local industry leaders understand the need to adopt new measures to modernize and rationalize the industry.²⁴³ Contrary to the circumstances of other sectors, South African coal producers launched expansion and modernization programs in 1996 which included at least six major projects and many other smaller-scale projects.²⁴⁴ Industry observers report that, in the longer term, South Africa will have to diversify its economy away from mining.²⁴⁵ While this changing industry structure may dampen demand for U.S. mining equipment in the short-term, mining will continue to be a major part of the South African economy, providing an important market for such equipment in the future.

The South African Government's macroeconomic strategy, announced in June 1996, includes a commitment to expand infrastructure services.²⁴⁶ This commitment, along with private-sector investment, should generate export opportunities for U.S. transportation equipment manufacturers. The quality of infrastructure in the rural areas of the country varies, but in general the need is great for road development and improvement.²⁴⁷ The South African Government is currently drafting a reconstruction and development program that will address various needs of disadvantaged people, such as lack of housing and basic services, pollution and waste problems, and inadequate transport facilities. The draft white paper is expected to become legislation by March 1998.²⁴⁸

In the automotive sector, South Africa's Phase VI local-content program for the automotive manufacturing sector set a value-based minimum local content level of 50 percent for South African-built vehicles, requiring companies to reach a local

²⁴² U.S. Dept. of State cable, "South African Mining: The Troubled Mainstay of the Economy," message reference No. 000763, prepared by U.S. Embassy, Pretoria, Jan. 1997; and World Wide Web, "South Africa: Economic Trends and Outlook," *Country Commercial Guides*. The gold and platinum sectors in South Africa are downsizing, with mine closures that will result in a decrease in production and a loss of jobs. Similar but less severe trends are visible in the copper and chromite sectors. U.S. Dept. of State cable, "South Africa: Dire Forecast for Mining Industry," message reference No. 000286, prepared by U.S. Consulate, Johannesburg, Mar. 1996.

²⁴³ U.S. Dept. of State cable, "South African Mining."

²⁴⁴ U.S. Dept. of State cable, "Developments in the South African Coal Industry," message reference No. 006897, prepared by U.S. Embassy, Pretoria, July 1996.

²⁴⁵ World Wide Web, "South Africa: Economic Trends and Outlook," *Country Commercial Guides*.

²⁴⁶ USDOC cable, "South Africa - Country Commercial Guide," message reference No. 008399, prepared by U.S. Embassy, Pretoria, Sept. 1996.

²⁴⁷ World Wide Web, "South Africa: Economic Trends and Outlook," *Country Commercial Guides*.

²⁴⁸ USDOC, "South Africa - Social Development Plan - IMI970227," *Market Research Reports*, Feb. 27, 1997.

content value of 75 percent by 1997. The program also allows vehicle manufacturers to import original equipment free from customs duty and surcharge — a benefit for U.S. manufacturers Ford and General Motors which have joint venture assembly operations in South Africa.²⁴⁹

Transparency problems in South African Government contract tenders continued to plague U.S. aircraft and engine makers in 1996. As with Boeing's previous experience in selling 10 airframes to the South African Government in 1995-96,²⁵⁰ similar problems were evident in the 1996 tender to supply the engines for those airframes. Selection of the supplier, scheduled to be made in early 1996, was delayed until December 1996 due to lack of transparency in the bidding process. Moreover, only two of the airframe engine deals were closed, forcing Boeing to delay production and delivery of its complete order.²⁵¹

Nigeria

The 1997 budget estimates for Nigeria focus on the provision of social services; key programs include the rehabilitation of existing infrastructure and provision of water supply. Nigeria's road network is deteriorated, with at least half of the roads in need of repair. Cost estimates to rehabilitate just the Federal portion of the national road system range from \$1.2 billion to \$3.5 billion. In the 1996 Nigerian budget, funds specified for the Ministry of Transport were cut by 33 percent, and one-third of the remainder is consumed by personnel costs. Although more than 80 percent of the Ministry of Transport's total 1996 budget was earmarked for rail improvements,²⁵² it is unclear whether there will be any notable export opportunities for U.S. rail equipment manufacturers. Nigeria and China signed an agreement in December 1995 in which China is to coordinate the overhaul of Nigeria's rail system.²⁵³

²⁴⁹ World Wide Web, "South Africa," *World Motor Vehicle Import Requirements*.

²⁵⁰ Boeing was awarded a contract worth over \$1 billion to supply 10 airframes, but then the tender and offset were suddenly re-examined by the South African Ministry of Public Enterprises and the DTI. DTI tried to gain further offset contributions from Boeing, and there were allegations of last-minute lobbying by Airbus Industrie of Europe after the tender was reportedly closed. Boeing did close the deal, but considered itself obliged to make revisions to its offset package in response to pressure from DTI. USTR, "South Africa," *1996 National Trade Estimate on Foreign Trade Barriers*, p. 309.

²⁵¹ USTR, "South Africa," *1997 National Trade Estimate on Foreign Trade Barriers*.

²⁵² U.S. Dept. of State cable, "Nigerian Railroads - Derailed or on Track," message reference No. 001772, prepared by U.S. Embassy, Lagos, Feb. 1996.

²⁵³ "Li Peng's Visit Spotlights Burgeoning Sino-Nigerian Friendship," received by NEWSEDGE/LAN, May 11, 1997.

Individual states are dependent on the federal treasury for 80 percent of their budgets and will have little to invest in infrastructure. The World Bank recently urged private-sector participation in road management programs in Africa through "build-operate-transfer" and commercialization schemes. However, the inability of road operators to set tolls at a level sufficient to recoup costs and the fear of possible government failure to honor contracts have kept interested parties from pursuing these options.²⁵⁴

Through March 1997, Nigeria's Petroleum Trust Fund (PTF) awarded contracts totaling \$432 million for the repair of 12,500 kilometers of roads.²⁵⁵ However, the amount announced is far short of what is required to meet the needs of state and local thoroughfares.²⁵⁶ The PTF has also allocated \$300 million for water projects throughout Nigeria.²⁵⁷ Should the Nigerian government's efforts toward road maintenance and reconstruction come to fruition, U.S. exports of earth moving and road building machinery could increase.²⁵⁸

In May 1996, it was reported that 65 percent of the aircraft owned and operated by the Nigerian domestic carriers were grounded, primarily due to the inability of the carriers to obtain sufficient foreign exchange to perform routine maintenance checks and purchase spare parts.²⁵⁹ In response to airline executives' complaints that low ticket prices hamper the industry's ability to operate in a safe and efficient manner, the Government approved a 100-percent increase in domestic airfares in March 1997, the first hike since 1995. This policy change could have a positive impact on purchases of U.S.-made aircraft equipment.²⁶⁰

Nigeria's national gas policy is designed to encourage utilization of and investment in the natural-gas sector. The largest gas project currently under way is the Liquefied Natural Gas project.

²⁵⁴ U.S. Dept. of State cable, "Nigeria's Road Transport Sector - Why You Can't Get There From Here," message reference No. 003804, prepared by U.S. Embassy, Lagos, Apr. 1996.

²⁵⁵ USDOC, "Nigeria: Federal Budget Overview - IMI970326," *Market Research Reports*, Mar. 1997.

²⁵⁶ U.S. Dept. of State cable, "Nigeria's Road Transport Sector."

²⁵⁷ USDOC, "Nigeria: Federal Budget Overview," *Market Research Reports*.

²⁵⁸ World Wide Web, retrieved June 6, 1997, STAT-USA, <http://www.stat-usa.gov/BEN/databases.html>, USDOC, "Nigeria: Leading Sectors for U.S. Exports and Investments," *Country Commercial Guides*.

²⁵⁹ U.S. Dept. of State cable, "Nigerian Air Fares May Soon Increase," message reference No. 005039, prepared by U.S. Embassy, Lagos, May 1996.

²⁶⁰ U.S. Dept. of State cable, "Nigeria Doubles Domestic Airfares, A Long Overdue Measure Which Will Hopefully Improve Safety," message reference No. 002541, prepared by U.S. Embassy, Lagos, Mar. 1997.

There are approximately 10 ongoing or planned gas projects in the country, all of which will provide opportunities for U.S. exports of related equipment.²⁶¹

In the Nigerian Government's 1997 budget, two changes to the tariff schedule affected the transportation equipment sector — the tariff on spare parts for commercial aircraft was eliminated, and the tariff for automotive batteries was set at 45 percent *ad valorem*.²⁶² Certain nontariff restrictions apply to aircraft and ocean-going vessels; all imported aircraft and ocean-going vessels must be inspected by a

²⁶¹ World Wide Web, retrieved June 18, 1996, Mbendi: Information for Africa, <http://mbendi.co.za/adcg/nggas01/htm>, "Nigeria - Gas Industry."

²⁶² U.S. Dept. of State cable, "Nigeria: Update on Trade Policy," message reference No. 001307, prepared by U.S. Embassy, Lagos, Feb. 1997.

government-authorized inspection agent and performance bonds and off-shore guarantees must be arranged before either down payments or subsequent payments are authorized by the Ministry of Finance.²⁶³

Multilateral Lending

Efforts to improve the basic infrastructure of the region, aided by multilateral lending, should provide a growing market for U.S. exports of certain types of transportation equipment, particularly construction equipment. The AfDB and the World Bank are the principal lenders in this capacity. Some of the projects currently before the AfDB's board which could result in U.S. transportation equipment exports include the following:

²⁶³ USTR, "Nigeria," *1997 National Trade Estimate Report on Foreign Trade Barriers*, p. 282.

Table 4-2
Selected AfDB projects in Sub-Saharan Africa

Country	Project	Status
Burkina Faso	Road rehabilitation	Approved January 1997
Cape Verde	Road program	Under consideration
Chad	Djermaya-Massaguel road project	Approved January 1997
Chad	Inter-urban transport system study	Under consideration
Ghana	Primary education facilities	Approved January 1997
Guinea Bissau	Road infrastructure rehabilitation	Approved January 1997
Kenya	Email-Oloitokitok road upgrading	Under consideration
Malawi	Mchinji-Kasungu-Msulira road	Supplemental loan under consideration
Mozambique	Pemba-Montpuez road project	Under consideration
Sierra Leone	Lungi-Freetown road study	Under consideration
Swaziland	Milba-Msahweni road	Under consideration
Tanzania	Mto Wa Mbu water-supply study	Under consideration
Togo	Sokode-Bassar road	Under consideration
Zimbabwe	Dande irrigation	Under consideration

Source: USDOC, "Africa/AfDB - AfDB Development Projects - IMI970313," *Market Research Reports*, Mar. 13, 1997.

The U.S. Department of the Treasury is expected to urge the AfDB to work more closely with the private sector. This may be accomplished by expanding its lending to the private sector, instituting co-financing of infrastructure projects, and beginning a program to lend to micro-enterprises.²⁶⁴ According to the International Finance Corporation (IFC) of the World Bank, micro-enterprises employ up to 80 percent of the labor force in Africa; therefore, funding for these enterprises could be considered as critical to the region's economic growth.²⁶⁵

The World Bank did not lend funds in the Sub-Saharan region in 1996 for the oil and gas sectors, but did lend \$420.7 million for transportation, \$190.0 million for urban development, and \$35.7 million for water supply and sanitation.²⁶⁶ Each of

²⁶⁴ USDOC, "Africa - Federal Trade Report," *Market Research Reports*.

²⁶⁵ IFC, *Annual Report 1996*, p. 32.

²⁶⁶ The World Bank, *Annual Report 1996*, p. 75.

these sectors requires transportation equipment for project implementation. In early 1996, the World Bank declined to fund \$80 million of a \$400-million project to develop road, rail, and waterborne transportation in Lagos, Nigeria, but insisted that its policy toward Nigeria had not changed.²⁶⁷ However, the World Bank also suspended or canceled two infrastructure projects in Nigeria due to the Government's failure to meet its funding obligations and to procurement irregularities.²⁶⁸

The IFC is an important source of funding for the types of projects that generate demand for U.S. construction and mining equipment exports. As of June 30, 1996, the following projects were added to IFC's investment portfolio in FY 1996:

²⁶⁷ U.S. Dept. of State cable, "World Bank Says Pass on Lagos Transport Project Not a Trend," message reference No. 000101, prepared by U.S. Embassy, Lagos, Mar. 1996.

²⁶⁸ U.S. Dept. of State cable, "Nigeria's Road Transport Sector."

Table 4-3
Selected IFC projects, FY 1997

Country	Type of project	Total IFC commitment
Cameroon	Mining and extraction of fuel minerals	\$54,500,000
Congo	Mining and extraction of fuel minerals	\$44,200,000
Côte d'Ivoire	Mining and extraction of fuel minerals	\$7,500,000
Côte d'Ivoire	Mining and extraction of fuel minerals	\$7,500,000
Côte d'Ivoire	Mining and extraction of fuel minerals	\$15,000,000
Ghana	Mining and extraction of metals and other ores	\$22,500,000 (includes FY 90 and FY 92 commitments)
Nigeria	Infrastructure	\$100,000
Tanzania	Infrastructure	\$1,000,000
Zimbabwe	Mining and extraction of metals and other ores	\$1,500,000

Source: IFC, *IFC Investment Portfolio 1996*, pp. 2-9.

Because of the slow pace of privatization in the Sub-Saharan region, the IFC's FY 1996 involvement focused on providing technical assistance to policy makers for the private provision of infrastructure services.²⁶⁹

Other sources of multilateral lending contribute to the development of Sub-Saharan Africa's infrastructure. For example, the United Nations High Commissioner for Refugees approved in mid-1997 \$1.6 million for road repair in Tanzania, in order to facilitate the repatriation of refugees.²⁷⁰ Loans such as this, aiming to develop basic infrastructure in Sub-Saharan Africa, provide opportunities for increased U.S. exports of transportation equipment.

Miscellaneous Manufactures²⁷¹

Overview

For products categorized as miscellaneous manufactures, Sub-Saharan Africa continued to be a relatively minor trading partner for the United States in 1996. The U.S. trade surplus in miscellaneous manufactures totaled a comparatively modest \$6.0 million in 1996, down from \$7.3 million in 1995. During that period, U.S. exports increased by \$9.7 million (18 percent) to \$64.3 million; U.S. imports grew at a faster pace, by \$11.0 million (23 percent) to \$58.4 million.

Many countries in Sub-Saharan Africa continue to impose relatively high tariffs, fees, or quantitative restrictions on products in the miscellaneous manufactures sector to discourage imports and save limited foreign-exchange reserves for imports of food, machinery, and other more essential or industrial inputs. U.S. exports to Sub-Saharan Africa of sector products thereby continue to be diminutive. As in 1995, the primary market for U.S. exports of these products in 1996 was South Africa, accounting for 71 percent of total sector exports to Sub-Saharan Africa, as shown in the following tabulation:

1996 export markets	Million dollars	Percentage of total ¹
South Africa	45.8	71
Ghana	2.2	3
Nigeria	1.8	3
Angola	1.5	2
Mauritius	1.4	2
Others	11.6	18
Total	64.3	100

¹ Because of rounding, figures may not add to the total shown.

Major U.S. sector exports to South Africa in 1996 were games and fairground equipment (\$8.7 million); furniture and selected furnishings (\$5.0 million); arms and ammunition (\$4.1 million); miscellaneous articles²⁷² (\$3.5 million); and toys (\$1.7 million). Between 1995 and 1996, exports to South Africa of games and fairground equipment, miscellaneous articles, and toys remained fairly stable. However, during the same period, U.S. exports to South Africa of arms and ammunition doubled, whereas exports of furniture and selected furnishings fell by \$2.1 million (30 percent).

Because the manufacturing bases in many Sub-Saharan African countries, with the exception of South Africa, are not sufficiently diversified to produce miscellaneous manufactures products at competitive prices, U.S. imports of these items from the region continued to be relatively small. Major sources for sector imports from Sub-Saharan Africa in 1996 are shown below:

1996 import sources	Million dollars	Percentage of total
South Africa	19.1	33
Zimbabwe	8.1	14
Swaziland	5.3	9
Mauritius	3.7	6
Botswana	3.6	6
Others	18.6	32
Total	58.4	100

U.S. imports from South Africa increased \$6.7 million (54 percent) in 1996, to replace Zimbabwe as the major Sub-Saharan African source for miscellaneous manufactures products. The most important sector imports from the region were wood furniture, precious jewelry, and miscellaneous articles. U.S. imports of furniture from South Africa totaled \$10.6 million in 1996, an increase of \$6.2 million

²⁶⁹ IFC, *Annual Report 1996*, p. 34.

²⁷⁰ Xinhua, "UNHCR to Help Tanzania Repair Roads," received by NEWSEDGE/LAN, July 6, 1997.

²⁷¹ Miscellaneous manufactures encompasses a very broad group of commodities. Examples include luggage and other leather goods, musical instruments, jewelry, bicycles, furniture, writing instruments, lamps, prefabricated buildings, toys and dolls, games and fairground amusements, sporting goods, smokers' articles, brooms, and grooming articles.

²⁷² Miscellaneous articles include Christmas ornaments, artificial flowers, typewriter ribbons, objects of art, and antiques. Antiques, collectors' items, and works of art enter the United States free of duty.

(143 percent) over the previous year. Virtually all of the U.S. imports from Swaziland consisted of furniture, which posted a gain of \$1.5 million (39 percent) over the 1995 level. Precious jewelry imports of \$6.6 million accounted for 81 percent of U.S. sector imports from Zimbabwe in 1996, but represented a decrease of \$5.8 million (47 percent) from the year-earlier period.

URA Developments Affecting Sector Trade and Investment

Tariff Changes

The U.S. ATWT on miscellaneous manufactures from Sub-Saharan Africa increased slightly from 5.9 percent AVE in 1995 to 6.2 percent AVE in 1996. The value of dutiable U.S. sector imports decreased by \$1.1 million (16 percent) to \$5.7 million in 1996. U.S. import duties were applied to only 10 percent of trade in 1996, compared with 15 percent in 1995. In 1996, South Africa supplied the highest share of dutiable products at \$2.6 million (45 percent), with an ATWT of 5.2 percent AVE, down from 5.9 percent in 1995. Kenya followed by providing \$1.4 million (24 percent) of dutiable U.S. imports with an ATWT of 8.4 percent AVE, up from 7.4 percent the previous year.

Other URA Developments

No additional URA provisions in 1996 were identified that would significantly affect U.S.-Sub-Saharan trade in the miscellaneous manufactures sector.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

In 1996, imports of miscellaneous manufactures from Sub-Saharan Africa that entered free of duty under the GSP program increased \$3.6 million (13 percent) over 1995, and totaled \$32.3 million (55 percent of sector imports from the region) in that year. GSP-eligible imports in this sector consisted primarily of furniture and selected furnishings, and precious jewelry. The five major 1996 GSP imports sources from Sub-Saharan Africa for sector products are shown in the following tabulation:

1996 GSP import sources	Million dollars	Percentage of total
South Africa	13.4	41
Zimbabwe	6.8	21
Swaziland	5.1	16
Botswana	3.5	11
Mauritius	1.9	6
Others	1.6	5
Total	32.3	100

South Africa accounted for 41 percent of U.S. GSP imports of miscellaneous manufactures products from Sub-Saharan Africa in 1996, followed by Zimbabwe (21 percent), Swaziland (16 percent), and Botswana (11 percent). The bulk of U.S. imports from South Africa entering under GSP duty preferences consisted of furniture, which totaled \$10.0 million in 1996, an increase of \$6.3 million (168 percent) over 1995. During the same period, furniture imports under GSP from Swaziland reached \$5.1 million, or a \$1.4 million (37 percent) increase from 1995. Zimbabwe was the largest source of precious jewelry in 1996, followed by Botswana.

The Luggage and Leather Goods Manufacturers of America, Inc. (LLGMA) opposes the elimination of the exclusion of luggage, flat goods, and handbags from coverage under the GSP program for Sub-Saharan African countries. According to the LLGMA, including these items under the GSP and the potential threat of quota-free treatment²⁷³ for textile products will lead to an influx of imports from that region which will inflict more harm upon the domestic luggage, flat goods, and handbag industry that has been battered by imports, particularly from less-developed countries.²⁷⁴

Policy Developments in Sub-Saharan Africa

South Africa continues to be the only country in Sub-Saharan Africa that has a diversified export base for products in the miscellaneous manufactures sectors. Many of the remaining countries in the region continue to be prevented by an inadequate manufacturing base from producing export-quality finished goods in this sector. Moreover, restrictive trade policies, insufficient market access, and underdeveloped financial institutions still constrain the level of U.S. exports of miscellaneous manufactures products to Sub-Saharan Africa.²⁷⁵

²⁷³ Manufacturers of textile luggage are opposed to quota-free treatment for textile products.

²⁷⁴ Written submission to the USITC, May 8, 1997, "Likely Impact of Providing Quota-Free and Duty-Free Entry to Textiles and Apparel from Sub-Saharan Africa," Investigation No. 332-379.

²⁷⁵ "Region Trade Increases in Southern Africa," received by NewsEDGE/LAN, Jan. 27, 1997.

In 1997, Nigeria removed the import ban on furniture. However, this policy change will likely have little effect on trade with the United States.²⁷⁶ In recent years, South Africa has been the predominant Sub-Saharan African market for U.S. furniture.

Services²⁷⁷

Overview

Few nations in Sub-Saharan Africa have indigenous service providers that are active internationally, although service industries such as tourism,²⁷⁸ education, telecommunications, health care, and finance are developing in some of these economies. Even so, the scheduled commitments of Sub-Saharan African countries under the WTO's General Agreement on Trade in Services (GATS) are modest and are likely to have little impact on U.S. trade in the near future. However, longer-term effects may be substantial, given that GATS signatories have committed to participate in negotiations to liberalize international trade and investment in services.

URA Developments Affecting Sector Trade and Investment

Most Uruguay Round negotiations pertaining to the GATS ended in December 1993. However, negotiations covering maritime services,²⁷⁹ basic telecommunication services²⁸⁰ (e.g., voice and data s

²⁷⁶ U.S. Dept. of State cable, "USITC Study on U.S.-Africa Trade - Nigeria," message reference No. 005356, prepared by U.S. Embassy, Lagos, June 12, 1997.

²⁷⁷ The service sector includes travel and tourism, transportation, intellectual property, education, financial, telecommunications, and a multitude of business and professional services, such as legal, medical, and engineering services.

²⁷⁸ Côte d'Ivoire is developing tourism in some regions and is in the process of creating a Tourism Ministry. Industry representative, interview by USITC staff, Abidjan, Côte d'Ivoire, June 1997. Also, Ghana Heritage Corporation Trust is working with the USAID to make old fortresses a substantial source of tourism revenue. Industry representative, interview by USITC staff, Accra, Ghana, June 1997.

²⁷⁹ Maritime services include international shipping services, including multimodal shipping (which refers to seamless through-service using one bill of lading for land-sea-land transportation of cargoes); auxiliary services such as cargo handling, freight forwarding, and customs clearance operations; and access to port facilities.

²⁸⁰ Basic telecommunication services entail the transmission of customer-supplied information between two or more points without change in form or content.

transmission), and financial services (e.g., banking, securities, and insurance) were carried forward because most countries had difficulty scheduling most-favored-nation (MFN)²⁸¹ commitment pertaining to these industries during the Round. Worldwide, countries that had deregulated and liberalized their markets for these key service sectors expressed concern that MFN-based commitments may disadvantage domestic firms. Specifically, the concern was that firms from restrictive markets, "free-riding" on the MFN principle, would be able to enter relatively liberal markets, whereas firms from liberal markets could be prohibited from entering restrictive markets and left with little leverage to negotiate future liberalization.²⁸²

Negotiations on maritime transport services recommenced in May 1994 and ended in June 1996. On June 14, 1996, the United States announced it would not table an offer covering maritime services after concluding that offers submitted by other participants in the Negotiating Group on Maritime Transport Services (NGMTS) would not liberalize trade sufficiently.²⁸³ The talks ended without agreement and are scheduled to resume in January 2000. Before the negotiations stalled, Côte d'Ivoire and Nigeria offered commitments covering all relevant sectors of maritime services. Offers tabled by both countries represented standstill commitments (i.e., commitments that would bind current regulations). Nigeria's offer did not identify any specific limitations on maritime transport services. Slightly more restrictive, Côte d'Ivoire's offer left important modes of supply unbound²⁸⁴ and would have restricted certain aspects of international shipping.²⁸⁵ Other Sub-Saharan countries declined to offer commitments on maritime transport services.

In order to address telecommunication issues, a WTO Ministerial Decision created the Negotiating Group on Basic Telecommunications (NGBT) in April 1994. On April 30, 1996, the mandated deadline of the NGBT to reach consensus, the WTO Council on Trade in Services further extended the talks to

²⁸¹ MFN status accords to one trading partner those terms and conditions of trade that are no less favorable than those accorded to any other trading partner.

²⁸² USTR official, interview by USITC staff, Washington, DC, Aug. 14, 1995; and EU Commission officials, interviews by USITC staff, Brussels, July 19, 1995. For a fuller discussion of extended talks on financial, maritime transport, and basic telecommunication services, see: USITC, *Recent Trends in U.S. Services Trade*, USITC publication 3041, May 1997.

²⁸³ USTR, "Statement by Ambassador Charlene Barshefsky on the WTO Maritime Services Negotiations," press release 96-51, June 14, 1996, Washington, DC.

²⁸⁴ Where countries have not scheduled full or partial commitments, they leave restrictions unbound, thereby maintaining the right to impose additional restrictions on market access and/or national treatment in the future without penalty.

February 15, 1997, after the United States indicated that current offers were not sufficiently trade liberalizing. On reaching this deadline, the Group on Basic Telecommunications (GBT) concluded an agreement that enters into effect on January 1, 1998. The agreement broadly provides market access for local, long-distance, and international service through any means of network technology, either on a facilities basis or through resale of existing network capacity.

Several Sub-Saharan African countries were active during the extended basic telecommunication service negotiations. New offers from Ghana, Senegal, and South Africa were tabled between April 1996 and February 1997. Over the same period, Mauritius improved its offer, but Côte d'Ivoire's schedule did not change. However, in spite of the commitments scheduled, the short-term effects on U.S.-Sub-Saharan African trade and investment will likely be minimal.

Ghana's commitments appear to provide for greater foreign investment and market access in the year 1998, but information regarding the precise interpretation of Ghana's commitments is unavailable. Senegal's commitments, too, may open foreign investment and market access, but Senegal may delay such liberalization until the year 2006. South Africa's commitments roll back its foreign investment cap to 30 percent in the year 2004, but maintain current limitations on market access. Of the Sub-Saharan countries, Mauritius scheduled the most pro-competitive commitments, rolling back limitations on both foreign investment and market access; yet, the commitments set forth will not enter into force until the year 2004. Côte d'Ivoire's commitments will allow 100-percent foreign ownership in year 1998, but will further restrict foreign firms' provision of voice telecommunication. Côte d'Ivoire, Ghana, Senegal, and South Africa adopted a reference paper on regulatory principles in its entirety, and Mauritius indicated that it may do so in the future.²⁸⁶

In the area of financial services, South Africa was the only Sub-Saharan African nation that participated formally in the extended WTO negotiations that ended on July 30, 1995.²⁸⁷ A few other Sub-Saharan countries submitted schedules of commitments

²⁸⁵ U.S. Dept. of State cable, "WTO Maritime Negotiations: Demarche Request," message reference No. 123126, prepared by U.S. Department of State, Washington, DC, June 13, 1996.

²⁸⁶ World Wide Web, retrieved June 25, 1997, WTO, <http://www.wto.org/new/gbtoff.htm>, *Schedules of Commitments and Lists of Article II Exemptions to be Annexed to the Fourth Protocol of the General Agreement on Trade in Services*, Apr. 11, 1997.

²⁸⁷ Discussions of a procedural kind and the refinement of country schedules and commitments continued until July 30, 1996.

covering some financial services which date back to the end of the Uruguay Round.²⁸⁸ Under an agreed interim accord, the WTO/GATS financial service commitments and MFN exemptions submitted in 1995 are scheduled to be in effect until November 1, 1997. Beginning November 1997, any WTO trading partner may change without penalty the financial services portion of its schedule of commitments, either offering further commitments or withdrawing commitments it has already scheduled. If a new, permanent financial services agreement can be negotiated and agreed upon during the period November 1-December 12, 1997, it will take effect on January 1, 1998. To reach agreement by November, the WTO recommenced financial service negotiations in April 1997. To date, Sub-Saharan African nations participating in the talks include Benin, Gabon, The Gambia, Ghana, Kenya, Malawi, Mozambique, Nigeria, Sierra Leone, South Africa, and Zimbabwe. In the event that an MFN-based agreement is concluded, financial services trade between the United States and Sub-Saharan Africa would likely increase only modestly, given the small size of the African markets and the long-standing openness of the U.S. market.

Economic and Trade Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment

U.S. Policies

Over the past year, various financial service sectors within Sub-Saharan Africa benefited from numerous market development programs. USAID provided technical assistance to aid the development of securities markets in Côte d'Ivoire, Uganda, and Swaziland; banking reform and privatization in Tanzania, Senegal, and Swaziland; and venture capital operations in Ghana, Tanzania, Uganda, Senegal, and Malawi. Programs to improve credit unions are active in Mali, Togo, Cameroon, and Malawi. USAID also provided technical assistance to central banks in southern Africa.

²⁸⁸ Gabon, The Gambia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Nigeria, Sierra Leone, and South Africa offered schedules of commitments covering financial services. Mauritius, South Africa, and Swaziland took MFN exemptions in their GATS financial services schedule of commitments. See: USTR and U.S. Department of the Treasury, "Assessment of Schedules and MFN Exemptions, Insurance," Apr. 1996; and USTR and U.S. Dept. of the Treasury, "Assessment of Schedules and MFN Exemptions — Financial Services, Excluding Insurance," Apr. 1996.

The U.S. Secretary of Commerce recently announced a trade mission to Africa planned for year 1998 as part of an effort to promote U.S. trade and investment with Africa. At the same time, the TDA, another sponsor of the mission, released a list of some 45 new South African projects in sectors including transportation, telecommunication, power, and tourism that could offer business opportunities to U.S. service providers. As part of the program, a binational commission composed of U.S. and South African members met in Washington, DC, to improve ties between the two countries. Committees considered issues including trade, education, and the environment.²⁸⁹

Several multinational projects are under way to provide Africa with wireless, including satellite-based, communications services. Comsat, a U.S. provider of telecommunication services, proposed constructing a satellite-based network in Ghana to deliver radio and television broadcasts across the entire country. Currently, broadcast signals reach only 35 percent of the population. This \$20 million project would be financed by the Eximbank.²⁹⁰ Also, a network operator license was recently issued to (U.S.-based) Western Wireless to provide Ghana with a second land-based network.²⁹¹ Other developments in Ghana include the signing of an agreement with (U.S.-based) Sprint, which will boost the delivery of telecommunication services, especially international calls. Furthermore, Ghana recently joined Inmarsat²⁹² to improve the delivery of telecommunication services to remote parts of the country.²⁹³

To aid and encourage telecommunications privatization and liberalization by members of the Organization of African Unity (OAU) and to foster cooperation with the International Telecommunications Union (ITU), the U.S. Federal Communications Commission (FCC) and the U.S. Department of State plan to help strengthen regional organizations such as the Pan African Telecommunications Union, the Regional African Satellite Organization, and the African Regional Advanced Level Telecommunications Institute. Through the Leland Initiative,

²⁸⁹ "U.S. Commerce's Daley Vows Aggressive Africa Policy," Reuters, the Point Cast Network, July 28, 1997.

²⁹⁰ World Wide Web, retrieved July 1, 1997, <http://mbendi.co.za/indy/cotl/cotlafpr.htm>, MBendi Information Services, "African Computers and Communications: Major Projects and Privatizations," May 29, 1997.

²⁹¹ Industry representative, interview by USITC staff, Accra, Ghana, June 1997.

²⁹² Inmarsat is a multinational satellite telecommunications service provider.

²⁹³ World Wide Web, retrieved Aug. 14, 1997, http://www.uta.fi/~csfraw/ghana/gh_com.html, Ghana Communications.

USAID, in cooperation with private firms, is attempting to bring full Internet access to 20 USAID countries in Sub-Saharan Africa. This project is intended to ensure that effective use is made of the Internet in those institutions that contribute to the sustainable development of USAID-assisted countries in Africa.²⁹⁴

Policy Developments in Sub-Saharan Africa

Certain Sub-Saharan African countries have employed policies to enhance efficiency and further integrate their markets into the global economy, but in some instances, vestiges of trade-restricting policies remain.

Mozambique

Over the past year, Mozambique began to follow some WTO issues and to participate in WTO meetings. Mozambique demonstrated particular interest in the areas of telecommunication and financial services. Also, Mozambique continued to liberalize its economy and privatize state-owned enterprises, including those providing financial services and transportation management.²⁹⁵ Recently, the Ministry of Transportation and Communications announced the availability of up to 51-percent private sector participation in the operation and development of the port and railways of the Maputo region.²⁹⁶

South Africa

Telkom, the dominant South African telecommunications provider, reportedly plans a major upgrade and expansion of the current infrastructure. To aid the process, the Ministry of Posts, Telecommunications, and Broadcasting expects to form a strategic equity partnership with an outside entity. U.S. telecommunication firms already have a strong commercial presence in South Africa and are expected to be prime contenders for this position.

²⁹⁴ World Wide Web, retrieved June 11, 1997,

USAID, <http://www.info.usaid.gov/regions/afr/leland/enduser.htm>, "Leland Initiative Africa II Gateway."

²⁹⁵ U.S. Dept. of State cable, "USITC Study on U.S.-Africa Trade Flows," message reference No. 79623, prepared by U.S. Embassy, Maputo, June 24, 1997.

²⁹⁶ Republic of Mozambique, Ministry of Transport and Communications, "Solicitation of Expression of Interest for Private Sector Participation in the Operation and Development of the Maputo Corridor (Port and Railways)," advertisement, *Economist*, vol. 343, No. 8022, (June 21, 1997), p. 25.

Zimbabwe

Zimbabwe signed investment agreements with OPIC and the World Bank. Even so, national treatment and market access difficulties remain. Furthermore, international remittances for some service industries such as technical consulting are still subject to approval by the Reserve Bank of Zimbabwe.²⁹⁷

Multilateral Lending

Strategies to foster African development introduced at the June 1997 Group of Seven (G-7) Summit call for shifting emphasis from aid to trade and market-based economic reforms. Proposed action by the G-7 includes developing more market-oriented cooperation in the region. Also, international financial institutions such as the World Bank and International Monetary Fund were urged to increase efforts that support reform in Sub-Saharan African countries.²⁹⁸ The IFC, with the participation of the Canadian Aid Agency, initiated a 3-year pilot project to provide technical assistance to businesses in Ghana in order to develop production, marketing, and management information systems. If successful, the program will be extended throughout Africa.²⁹⁹

²⁹⁷ USTR, "Zimbabwe," *1997 National Trade Estimate Report on Foreign Trade Barriers*, p. 380.

²⁹⁸ "G-7 Seeks to Bring Russia, Africa into the 'Economic Mainstream,'" *Wall Street Journal*, June 23, 1997.

²⁹⁹ World Wide Web, retrieved June 26, 1997, <http://www.stat-usa.gov>, USDOC, "Africa - Federal Trade Report - IMI970331," Mar. 31, 1997.

Although services continue to account for a small share of U.S.-Africa trade, signs of growth are evident. The United Nations Conference on Trade and Development (UNCTAD) reported that direct investment flowing into Africa is shifting away from traditional manufacturing and agriculture industries and toward service industries, including finance and insurance. Investment by U.S. multinationals was most notable, increasing more than five-fold from 1994 to 1996.³⁰⁰

Telecommunication projects financed by the AfDB are creating opportunities for U.S. firms. Several large-scale projects currently under way or in the planning stages entail the privatization and liberalization of telecommunications throughout many Sub-Saharan countries. The AfDB and the World Bank estimate total investment for such projects is likely to range between \$10 billion and \$12 billion over the next 10 years. More immediately, Nigeria is hoping to fund a \$100 million telecommunication project through the Bank. The projects will likely employ foreign telecommunication, consulting, management, and technical service providers.

³⁰⁰ "European Investment in Zaire Falls, U.S. Rises - UNCTAD," Reuters, The Point Cast Network, May 6, 1997.

APPENDIX A
Letter from the U.S. Trade Representative

The Honorable Peters S. Watson
Page Two

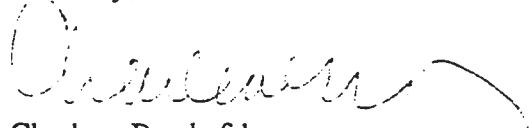
investment flows by sector during the latest year. Similarly, to the extent possible, changing trade and economic activities within African countries that have a significant impact should be highlighted.

3. Progress in regional integration in Africa.

The Commission's investigation and report should be confined to the 48 countries of Sub-Saharan Africa. The Commission is requested to provide the next report not later than October 4, 1996, and to provide an update of the report annually thereafter through October 1999. A supplemental request will be sent in the event that it becomes necessary to change the scope of the requested report.

It is the expectation of this office that the Commission's report will be made available to the public in its entirety. Therefore, the report should not contain any confidential business or national security information. The Commission's assistance in this matter is greatly appreciated.

Sincerely,



Charlene Barshefsky
Acting U.S. Trade Representative

APPENDIX B

Trade Data

Table B-1
U.S. exports, imports, and trade balance, with Sub-Saharan Africa, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996
Angola:					
Exports	155,310	167,549	196,714	258,786	265,478
Imports	2,275,260	2,100,965	2,079,248	2,304,857	2,692,567
Trade balance	(2,119,950)	(1,933,416)	(1,882,534)	(2,046,071)	(2,427,089)
Benin:					
Exports	26,766	21,634	25,854	33,846	27,254
Imports	10,295	15,740	9,977	9,770	18,154
Trade balance	16,471	5,894	15,878	24,076	9,100
Botswana:					
Exports	46,399	24,569	22,242	35,660	28,531
Imports	12,157	8,527	13,655	21,113	27,210
Trade balance	34,242	16,041	8,586	14,546	1,321
Burkina:					
Exports	13,115	17,649	7,239	14,576	10,346
Imports	235	473	445	379	3,835
Trade balance	12,880	17,176	6,794	14,197	6,511
Burundi:					
Exports	9,564	2,303	17,718	2,912	2,109
Imports	8,431	2,733	6,236	21,186	2,081
Trade balance	1,133	(430)	11,481	(18,273)	28
Cameroon:					
Exports	56,866	48,216	53,463	45,571	69,897
Imports	82,346	101,219	56,306	57,591	64,577
Trade balance	(25,480)	(53,003)	(2,843)	(12,019)	5,321
Cape Verde:					
Exports	3,037	3,994	3,889	6,809	66,688
Imports	55	32	123	278	407
Trade balance	2,982	3,962	3,766	6,531	66,280
Central African Republic:					
Exports	994	4,870	2,535	6,128	3,804
Imports	658	258	249	354	268
Trade balance	336	4,611	2,285	5,773	3,536
Chad:					
Exports	5,233	7,712	7,436	10,383	3,369
Imports	315	289	1,806	3,256	7,010
Trade balance	4,918	7,423	5,630	7,127	(3,641)
Comoros:					
Exports	632	309	101	679	78
Imports	10,354	9,573	6,034	2,224	6,217
Trade balance	(9,721)	(9,264)	(5,934)	(1,545)	(6,139)
Congo:					
Exports	59,359	27,360	37,893	54,402	61,833
Imports	509,765	500,009	403,030	193,489	302,725
Trade balance	(450,406)	(472,649)	(365,137)	(139,087)	(240,892)
Djibouti:					
Exports	10,587	12,953	6,703	8,457	8,237
Imports	-	28	62	34	8
Trade balance	10,587	12,925	6,641	8,423	8,229
Cote d'Ivoire:					
Exports	86,361	87,744	110,051	172,315	140,328
Imports	187,454	178,221	185,345	214,078	403,662
Trade balance	(101,093)	(90,477)	(75,294)	(41,763)	(263,334)
Equatorial Guinea:					
Exports	10,726	3,433	1,894	5,335	16,729
Imports	126	3,680	326	30,969	75,953
Trade balance	10,601	(247)	1,568	(25,634)	(59,224)
Eritrea:					
Exports	-	918	8,154	16,540	13,912
Imports	-	-	103	262	1,548
Trade balance	-	918	8,051	16,278	12,364
Ethiopia:					
Exports	249,350	136,061	142,421	146,792	145,002
Imports	8,356	22,063	34,100	32,784	34,586
Trade balance	240,993	113,998	108,321	114,008	110,416

See note at end of table.

Table B-1—Continued
U.S. exports, imports, and trade balance, with Sub-Saharan Africa, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996
Gabon:					
Exports	54,666	47,374	40,071	53,918	55,641
Imports	927,914	922,682	1,232,709	1,563,875	1,842,331
Trade balance	(873,247)	(875,308)	(1,192,637)	(1,509,958)	(1,786,690)
Gambia:					
Exports	9,985	10,077	3,852	5,988	8,357
Imports	1,143	8,594	2,685	2,259	1,927
Trade balance	8,842	1,483	1,167	3,729	6,429
Ghana:					
Exports	119,686	211,291	121,369	166,701	294,330
Imports	96,421	208,469	198,486	196,074	171,354
Trade balance	23,265	2,822	(77,117)	(29,373)	122,976
Guinea:					
Exports	59,938	57,260	47,295	66,302	86,698
Imports	101,370	112,974	92,815	93,115	115,421
Trade balance	(41,432)	(55,713)	(45,520)	(26,812)	(28,723)
Guinea-Bissau:					
Exports	1,466	1,644	980	868	7,041
Imports	25	209	-	39	46
Trade balance	1,441	1,436	980	829	6,994
Kenya:					
Exports	122,999	115,464	168,484	112,646	101,314
Imports	73,334	92,276	110,964	101,435	100,035
Trade balance	49,665	23,188	57,520	11,211	1,279
Lesotho:					
Exports	3,053	4,014	3,331	1,986	2,640
Imports	52,388	55,721	62,737	61,909	64,997
Trade balance	(49,335)	(51,707)	(59,406)	(59,923)	(62,356)
Liberia:					
Exports	30,421	20,003	46,210	41,552	49,690
Imports	12,223	3,084	3,471	9,728	26,893
Trade balance	18,198	16,919	42,739	31,824	22,796
Madagascar:					
Exports	6,072	10,815	47,279	9,502	11,271
Imports	53,503	42,711	56,719	57,238	45,675
Trade balance	(47,431)	(31,895)	(9,440)	(47,736)	(34,404)
Malawi:					
Exports	13,571	15,818	18,657	17,810	13,216
Imports	56,419	84,239	48,089	38,854	62,584
Trade balance	(42,848)	(68,421)	(29,431)	(21,044)	(49,367)
Mali:					
Exports	11,166	32,478	19,009	23,118	18,193
Imports	1,569	1,378	4,073	5,495	5,467
Trade balance	9,597	31,099	14,936	17,623	12,726
Mauritania:					
Exports	58,432	19,170	13,943	42,939	14,559
Imports	8,539	6,451	3,517	5,540	5,294
Trade balance	49,892	12,719	10,426	37,399	9,265
Mauritius:					
Exports	19,089	14,966	18,987	19,441	21,029
Imports	136,847	196,440	216,769	229,594	216,251
Trade balance	(117,758)	(181,473)	(197,782)	(210,153)	(195,222)
Mozambique:					
Exports	149,631	39,366	39,272	49,004	22,612
Imports	19,369	8,350	20,796	27,544	26,552
Trade balance	130,262	31,016	18,476	21,460	(3,940)
Namibia:					
Exports	33,692	19,598	16,188	26,532	21,879
Imports	48,595	22,028	30,176	11,450	26,944
Trade balance	(14,903)	(2,430)	(13,988)	15,082	(5,065)
Niger:					
Exports	12,549	15,813	11,905	17,123	26,843
Imports	2,884	5,716	4,260	1,551	773
Trade balance	9,665	10,097	7,646	15,573	26,070

See note at end of table.

Table B-1—Continued
U.S. exports, imports, and trade balance, with Sub-Saharan Africa, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996
Nigeria:					
Exports	980,152	875,206	500,587	589,749	796,297
Imports	5,071,201	5,309,470	4,595,364	4,878,480	5,876,792
Trade balance	(4,091,147)	(4,434,265)	(4,094,777)	(4,288,730)	(5,080,495)
Republic of South Africa:					
Exports	2,383,270	2,144,460	2,114,884	2,696,500	3,056,519
Imports	1,719,900	1,851,045	2,019,700	2,209,587	2,320,439
Trade balance	663,370	293,414	95,183	486,913	736,081
Rwanda:					
Exports	2,448	7,020	34,600	38,461	36,494
Imports	4,805	4,094	1,663	1,880	8,748
Trade balance	(2,356)	2,926	32,937	36,581	27,746
Sao Tome & Principe:					
Exports	2,683	2,512	13,024	1,824	221
Imports	401	675	39	144	449
Trade balance	2,282	1,837	12,985	1,679	(228)
Senegal:					
Exports	76,836	68,904	42,181	67,088	55,356
Imports	10,190	7,496	11,429	6,476	5,494
Trade balance	66,646	61,408	30,752	60,612	49,862
Seychelles:					
Exports	2,247	64,475	6,054	6,871	103,221
Imports	1,198	4,485	3,382	2,431	2,826
Trade balance	1,048	59,990	2,673	4,441	100,395
Sierra Leone:					
Exports	27,988	20,547	24,064	17,869	28,332
Imports	60,853	47,325	51,469	28,478	22,372
Trade balance	(32,865)	(26,778)	(27,404)	(10,608)	5,959
Somalia:					
Exports	20,819	30,561	29,762	8,055	4,220
Imports	2,426	212	118	106	150
Trade balance	18,394	30,349	29,644	7,949	4,070
Sudan:					
Exports	51,606	52,556	54,357	42,815	50,304
Imports	11,357	11,757	35,279	22,497	18,654
Trade balance	40,249	40,799	19,078	20,317	31,650
Swaziland:					
Exports	3,588	2,385	5,318	3,233	2,314
Imports	22,930	21,544	37,805	30,237	29,916
Trade balance	(19,341)	(19,159)	(32,487)	(27,004)	(27,602)
Tanzania:					
Exports	30,776	32,757	48,766	66,146	49,803
Imports	10,954	11,427	14,928	22,420	18,447
Trade balance	19,823	21,330	33,838	43,726	31,355
Togo:					
Exports	19,396	12,551	12,422	18,142	19,923
Imports	6,088	3,391	4,088	29,325	4,235
Trade balance	13,309	9,160	8,334	(11,183)	15,688
Uganda:					
Exports	15,249	20,695	27,467	21,862	16,471
Imports	12,006	9,902	34,858	13,158	15,909
Trade balance	3,243	10,792	(7,391)	8,703	561
Zaire:					
Exports	32,344	35,145	39,421	76,817	73,223
Imports	249,665	240,746	186,968	267,402	262,770
Trade balance	(217,321)	(205,601)	(147,547)	(190,585)	(189,547)
Zambia:					
Exports	67,566	41,769	32,263	48,777	45,294
Imports	70,519	40,784	63,477	32,893	63,824
Trade balance	(2,953)	985	(31,214)	15,884	(18,530)
Zimbabwe:					
Exports	142,173	83,063	92,229	120,175	89,005
Imports	130,194	142,301	106,028	96,689	123,988
Trade balance	11,980	(59,239)	(13,799)	23,487	(34,984)

Note.—Because of rounding, figures may not add to total shown.
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table B-2
Angola: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	10,245	8,365	37,088	32,753	28,213	-13.8
Imports	2	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	8,222	9,788	7,333	11,477	12,548	9.3
Imports	-	7	-	7,383	26,575	259.9
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	19,128	20,079	16,417	25,133	22,383	-10.9
Imports	6	-	5	6	4	-37.0
GSP imports	-	-	5,005	-	-	-
Energy related products:						
Exports	2,074	1,327	1,005	903	1,475	63.4
Imports	2,264,379	2,092,572	2,067,144	2,287,174	2,656,778	16.1
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	282	188	162	288	519	80.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	1,352	1,386	1,036	777	2,587	232.8
Imports	3	-	-	4	-	-100.0
GSP imports	-	-	-	4	-	-100.0
Machinery:						
Exports	20,733	18,093	16,487	24,837	25,168	1.3
Imports	-	-	-	2	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	7,570	9,537	12,834	36,612	23,392	-36.1
Imports	5,429	3,491	6,502	4,973	1,066	-78.6
GSP imports	-	-	-	30	-	-100.0
Miscellaneous manufactures:						
Exports	1,594	3,287	12,153	1,610	1,501	-6.7
Imports	1	-	463	2	12	490.0
GSP imports	-	-	-	-	2	-
Special provisions:						
Exports	7,247	5,387	4,784	5,447	5,824	6.9
Imports	5,088	3,731	5,124	5,312	8,130	53.0
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	14,603	1,537	3,563	6,227	7,793	25.1
Imports	-	1	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	62,259	88,573	83,850	112,721	134,073	18.9
Imports	350	1,163	9	-	2	-
GSP imports	-	1,163	-	-	-	-
Total export value	155,310	167,549	196,714	258,786	265,478	2.6
Total import value	2,275,260	2,100,965	2,079,248	2,304,857	2,692,567	16.8
Total import GSP value ...	-	1,163	5	34	2	-94.1

See notes at end of table.

Table B-2—Continued
Benin: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	12,647	5,897	14,497	10,394	2,330	-13.8
Imports	345	248	625	1,126	794	-29.5
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	333	504	653	337	1,339	297.8
Imports	-	-	1	-	-	-
GSP imports	-	-	1	-	-	-
Electronic products:						
Exports	566	573	396	1,389	1,148	-17.3
Imports	-	1	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	52	399	9	49	91	85.2
Imports	9,025	14,328	7,708	7,468	16,762	124.5
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	310	594	376	157	360	128.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	127	115	63	14	10	-26.0
Imports	1	-	54	54	67	24.3
GSP imports	-	-	47	54	67	24.3
Machinery:						
Exports	1,428	838	2,128	8,124	3,311	-59.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	-	94	131	46	101	120.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	6	112	4	18	962	5265.7
Imports	35	22	16	13	246	1719.5
GSP imports	-	-	4	-	3	-
Special provisions:						
Exports	478	670	609	947	990	4.5
Imports	186	35	2	14	19	39.2
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	9,682	10,844	5,156	7,731	13,800	78.4
Imports	703	1,106	1,569	1,095	266	-75.7
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	1,137	992	1,831	4,640	2,810	-39.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	26,767	21,634	25,854	33,846	27,254	-19.4
Total import value	10,295	15,740	9,977	9,770	18,154	85.8
Total import GSP value ...	-	-	52	54	70	29.6

See notes at end of table.

Table B-2—Continued
Botswana: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	2,473	643	916	3,835	1,420	-62.9
Imports	8,040	2,056	1,196	203	121	-40.3
GSP imports	272	701	401	167	106	-36.3
Chemicals & related products:						
Exports	563	91	614	1,598	249	-84.4
Imports	29	-	-	1	241	68513.9
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	3,126	9,011	4,338	6,439	2,853	-55.6
Imports	-	-	-	-	25	-
GSP imports	-	-	-	-	25	-
Energy related products:						
Exports	-	-	9	15	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	2	-	1	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	131	394	289	1,053	320	-69.6
Imports	34	38	3	24	10	-57.2
GSP imports	31	34	3	17	10	-37.1
Machinery:						
Exports	663	672	539	988	2,574	160.5
Imports	-	-	36	-	-	-
GSP imports	-	-	27	-	-	-
Minerals & metals:						
Exports	459	138	158	178	159	-10.6
Imports	3,253	54,678	9,465	11,029	13,987	26.8
GSP imports	-	-	2	-	-	-
Miscellaneous manufactures:						
Exports	26	50	1,126	246	51	-79.4
Imports	91	368	75	1,907	3,552	86.2
GSP imports	1	49	46	1,896	3,482	83.6
Special provisions:						
Exports	9,394	10,820	11,965	17,733	11,038	-37.7
Imports	603	595	773	3,130	2,125	-32.1
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	13	123	16	30	93	207.8
Imports	105	1	2,106	4,706	7,059	50.0
GSP imports	92	-	-	-	1	-
Transportation equipment:						
Exports	29,551	2,627	2,270	3,543	9,774	175.8
Imports	3	-	-	112	89	-20.2
GSP imports	-	-	-	-	-	-
Total export value	46,399	24,569	22,242	35,660	28,531	-19.9
Total import value	12,157	8,527	13,655	21,113	27,210	28.8
Total import GSP value ...	397	784	480	2,080	3,624	74.2

See notes at end of table.

Table B-2—Continued
Burkina Faso: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	6,395	9,198	2,413	6,946	3,187	-54.1
Imports	44	211	-	-	3,648	-
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	329	54	22	98	175	77.8
Imports	-	124	-	-	9	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	1,718	631	1,128	461	1,515	228.8
Imports	-	2	2	4	20	341.4
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	5	-	-	-
Imports	20	-	164	58	1	-99.1
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	4	17	45	32	61	89.8
Imports	22	63	20	11	16	42.0
GSP imports	22	63	19	11	7	-41.8
Machinery:						
Exports	319	-	83	1,347	325	-75.8
Imports	-	-	-	12	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	9	33	16	78	56	-27.7
Imports	5	16	28	2	13	545.2
GSP imports	2	-	28	2	3	50.9
Miscellaneous manufactures:						
Exports	56	-	55	18	76	330.3
Imports	27	26	71	91	106	16.8
GSP imports	15	11	20	18	14	-20.0
Special provisions:						
Exports	351	761	372	747	546	-26.9
Imports	3	6	143	186	12	-93.4
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	3,729	2,872	2,738	4,180	3,008	-28.0
Imports	113	24	16	12	10	-18.1
GSP imports	3	7	6	5	1	-91.8
Transportation equipment:						
Exports	205	4,082	361	669	1,398	109.0
Imports	-	-	-	2	-	-20.2
GSP imports	-	-	-	-	-	-
Total export value	13,115	17,649	7,239	14,576	10,346	-29.0
Total import value	235	473	445	379	3,835	911.6
Total import GSP value ...	42	80	72	36	24	-33.3

See notes at end of table.

Table B-2—Continued
Burundi: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	-	139	15,376	483	-	-100.0
Imports	6,495	1,267	1,944	18,824	560	-97.0
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	101	96	225	86	137	58.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	172	1,362	744	552	649	17.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	6	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	868	47	-	-	-	-
Imports	7	3	21	1	-	-100.0
GSP imports	7	3	6	1	-	-100.0
Machinery:						
Exports	43	54	234	37	110	194.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	67	4	38	3	8	151.4
Imports	1,896	1,080	4,216	2,266	1,193	-47.3
GSP imports	-	-	-	1	-	-100.0
Miscellaneous manufactures:						
Exports	-	-	11	4	-	-100.0
Imports	-	-	5	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	7,448	141	359	753	222	-70.5
Imports	32	381	46	79	321	306.8
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	404	405	645	654	728	11.2
Imports	-	2	3	14	6	-61.1
GSP imports	-	-	1	-	-	-
Transportation equipment:						
Exports	461	54	85	333	256	-23.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	9,564	2,303	17,718	2,912	2,109	-27.5
Total import value	8,431	2,733	6,236	21,186	2,081	-90.1
Total import GSP value ...	7	3	7	3	0	-100.0

See notes at end of table.

Table B-2—Continued
Cameroon: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	22,087	21,410	11,138	4,330	3,320	-23.3
Imports	4,992	4,068	4,741	11,772	11,549	-1.9
GSP imports	1,105	3,039	1,281	2,136	1,599	-25.1
Chemicals & related products:						
Exports	4,436	5,034	4,108	3,740	3,928	5.0
Imports	2,005	4,136	4,543	7,767	10,014	28.9
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	1,992	1,350	1,524	1,079	4,318	300.2
Imports	139	102	1,586	702	1,516	116.1
GSP imports	-	-	-	-	4	-
Energy related products:						
Exports	3,976	4,047	2,789	2,997	6,651	121.9
Imports	72,844	89,403	39,432	29,716	34,764	17.0
GSP imports	-	-	-	1	-	-100.0
Footwear:						
Exports	211	323	94	194	1,156	496.2
Imports	126	142	259	340	604	77.9
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	3,411	2,560	2,257	6,777	2,023	-70.1
Imports	1,045	1,878	2,293	4,301	2,287	-46.8
GSP imports	114	79	65	108	27	-75.2
Machinery:						
Exports	6,307	2,226	5,798	7,524	7,896	4.9
Imports	3	163	113	-	63	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	704	897	835	1,642	1,857	13.0
Imports	129	122	333	1,090	270	-75.2
GSP imports	12	22	33	28	65	134.4
Miscellaneous manufactures:						
Exports	209	259	607	667	727	9.0
Imports	152	249	1,350	935	2,267	142.2
GSP imports	-	18	21	71	31	-56.2
Special provisions:						
Exports	1,593	1,705	1,463	1,484	1,098	-26.0
Imports	792	336	646	126	369	193.2
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	563	664	1,266	1,502	1,479	-1.5
Imports	117	277	973	829	866	4.5
GSP imports	-	8	-	-	-	-
Transportation equipment:						
Exports	11,378	7,741	21,581	13,633	35,444	159.9
Imports	-	342	345	12	7	-42.3
GSP imports	-	-	-	-	-	-
Total export value	56,866	48,216	53,462	45,571	69,897	53.3
Total import value	82,346	101,219	56,305	57,591	64,577	12.1
Total import GSP value ...	1,231	3,165	1,399	2,343	1,726	-26.3

See notes at end of table.

Table B-2—Continued
Cape Verde: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	1,906	2,068	2,200	4,615	5,207	12.8
Imports	-	19	-	6	336	5500.0
GSP imports	-	19	-	-	289	-
Chemicals & related products:						
Exports	12	3	-	32	87	175.3
Imports	-	1	-	37	-	-100.0
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	276	1,036	712	861	623	-27.6
Imports	-	-	116	184	-	-100.0
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	9	-	15	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	25	-	24	13	3	-76.8
Imports	-	2	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	8	47	101	24	44	84.5
Imports	-	-	3	-	16	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	21	6	22	8	-	-100.0
Imports	-	8	-	2	24	1100.0
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	18	-	4	-	114	-
Imports	-	-	4	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	693	703	729	1,116	1,142	2.3
Imports	-	2	-	-	2	-
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	13	-	-	36	-	-100.0
Imports	55	-	-	49	29	-41.4
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	56	132	81	104	59,466	57,014.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	3,038	3,994	3,889	6,809	66,688	879.3
Total import value	55	32	123	278	407	46.0
Total import GSP value ...	-	19	-	-	289	-

See notes at end of table.

Table B-2—Continued
Central African Republic: U.S. exports, imports, and GSP imports, by major commodity sectors,
1992-96

(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	285	639	29	-	6	-
Imports	515	193	1	172	141	-17.5
GSP imports	470	152	-	163	-	-100.0
Chemicals & related products:						
Exports	79	10	169	1,013	100	-90.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	153	197	462	2,743	1,390	-49.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	20	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	37	3	-	3	-
Imports	-	-	20	48	43	-10.7
GSP imports	-	-	2	-	19	-
Machinery:						
Exports	211	1,078	746	793	1,166	47.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	101	207	24	37	138	270.4
Imports	-	54	-	102	28	-72.9
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	-	-	9	-	-100.0
Imports	42	3	210	32	27	-14.6
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	91	388	292	695	278	-59.9
Imports	100	5	1	1	29	5595.0
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	26	116	182	534	595	11.3
Imports	-	3	18	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	49	2,196	627	304	109	-64.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	994	4,870	2,535	6,128	3,804	-37.9
Total import value	658	258	249	354	268	-24.2
Total import GSP value ...	470	152	2	163	19	-88.3

See notes at end of table.

Table B-2—Continued

Chad: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	392	1,149	930	823	1,980	140.6
Imports	284	221	1,490	3,131	5,067	61.8
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	107	180	58	59	39	-33.9
Imports	-	-	-	-	1	-
GSP imports	-	-	-	-	1	-
Electronic products:						
Exports	562	240	575	5,150	246	-95.2
Imports	-	7	-	-	27	-
GSP imports	-	-	-	-	26	-
Energy related products:						
Exports	-	-	-	12	-	-100.0
Imports	-	-	1	4	-	-100.0
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	120	137	43	3	12	284.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	2,795	2,062	1,560	979	134	-86.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	302	488	176	12	-	-100.0
Imports	-	2	2	-	2	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	17	85	11	6	-41.7
Imports	-	-	38	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	184	305	1,909	327	273	-16.3
Imports	1	59	273	119	1,913	1509.3
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	88	33	33	81	324	298.4
Imports	30	-	.6	2	-	-100.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	684	3,102	2,067	2,926	355	-87.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	5,233	7,712	7,436	10,383	3,369	-67.5
Total import value	315	289	1,806	3,256	7,011	115.3
Total import GSP value ...	-	-	-	-	27	-

See notes at end of table.

Table B-2—Continued
Comoros: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	472	-	-	555	-	-100.0
Imports	9,898	9,396	5,866	1,824	6,064	232.5
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	8	150	36	59	39	-33.9
Imports	363	148	109	392	104	-73.5
GSP imports	-	-	-	305	-	-100.0
Electronic products:						
Exports	67	4	40	38	15	-60.3
Imports	60	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	-	5	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	-	7	-	-	35	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	12	3	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	49	61	13	11	5	-54.5
Imports	33	30	20	7	19	187.9
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	-	-	3	-	-	-
Imports	-	-	39	1	30	2900.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	37	75	-	16	23	45.6
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	632	309	101	679	78	-88.6
Total import value	10,354	9,573	6,034	2,224	6,217	179.5
Total import GSP value ...	-	-	-	305	-	-

See notes at end of table.

Table B-2—Continued
Congo: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	6,405	465	6,250	6,048	6,829	12.9
Imports	3,048	3,076	11	-	2,544	-
GSP imports	3,048	2,939	11	-	2,476	-100.0
Chemicals & related products:						
Exports	2,359	3,522	2,214	2,720	2,872	5.5
Imports	-	45	1	126	1,350	970.3
GSP imports	-	-	1	-	-	-
Electronic products:						
Exports	2,969	2,694	1,000	2,963	4,732	59.7
Imports	-	-	15	105	44	-58.6
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	288	151	224	280	526	88.1
Imports	503,672	492,913	387,975	173,938	274,638	57.9
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	12	-	410	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	59	12	131	17	95	467.3
Imports	175	530	470	2,695	4,515	67.5
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	7,486	2,307	3,190	7,746	5,865	-24.2
Imports	19	726	-	-	3	-
GSP imports	-	-	-	-	1	-
Minerals & metals:						
Exports	1,667	1,327	3,855	5,064	6,054	19.5
Imports	712	751	13,784	16,015	19,123	19.4
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	66	140	25	30	52	73.2
Imports	106	20	46	55	14	-74.7
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	1,136	1,690	1,190	1,835	1,898	3.4
Imports	2,034	1,917	707	558	494	-11.4
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	131	171	27	3	89	2866.7
Imports	-	1	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	36,792	14,882	19,776	27,696	32,409	17.0
Imports	-	30	22	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	59,359	27,360	37,893	54,402	61,833	13.6
Total import value	509,765	500,009	403,030	193,489	302,725	56.4
Total import GSP value ...	3,048	2,939	11	-	2,477	-

See notes at end of table.

Table B-2—Continued
Cote d'Ivoire: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	27,571	26,742	24,815	37,959	22,208	-41.4
Imports	137,008	128,594	142,031	168,828	290,387	72.0
GSP imports	6,271	12,499	10,050	7,525	8,734	16.0
Chemicals & related products:						
Exports	12,682	11,549	19,244	32,580	35,802	9.8
Imports	6,592	6,826	8,928	13,120	23,989	82.8
GSP imports	-	5	2	-	3	-
Electronic products:						
Exports	9,765	7,267	19,739	5,234	6,962	33.0
Imports	483	940	1,105	9,494	12,562	32.3
GSP imports	12	549	-	-	13	-
Energy related products:						
Exports	1,779	1,637	180	2,793	2,641	-5.4
Imports	21,778	25,901	6,273	5,426	59,136	989.8
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	370	42	192	207	161	-22.2
Imports	183	1,177	512	177	73	-58.3
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	7,487	7,047	7,701	22,957	10,738	-53.2
Imports	2,629	3,939	4,911	4,762	7,634	60.3
GSP imports	164	393	580	337	244	-27.7
Machinery:						
Exports	5,023	7,503	12,857	10,934	10,155	-7.1
Imports	58	75	354	46	109	136.3
GSP imports	-	2	8	-	-	-
Minerals & metals:						
Exports	908	1,449	3,320	6,000	6,584	9.7
Imports	13,662	3,725	867	8,313	6,162	-25.8
GSP imports	47	5	23	28	8	-70.6
Miscellaneous manufactures:						
Exports	605	271	502	374	916	145.2
Imports	865	821	18,510	1,123	1,311	16.8
GSP imports	51	12	28	19	28	46.2
Special provisions:						
Exports	2,661	3,597	2,954	3,903	3,272	-16.1
Imports	565	2,531	547	1,957	1,604	-18.0
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	3,848	4,907	5,610	10,607	12,421	17.1
Imports	3,630	3,556	1,266	796	677	-14.9
GSP imports	2	3	2	10	1	-92.4
Transportation equipment:						
Exports	13,662	15,734	12,935	38,767	28,469	-26.5
Imports	-	135	41	37	18	-49.8
GSP imports	-	-	-	-	-	-
Total export value	86,361	87,744	110,051	172,315	140,328	-18.5
Total import value	187,454	178,221	185,345	214,078	403,662	88.5
Total import GSP value ...	6,549	13,467	10,693	7,919	9,029	14.0

See notes at end of table.

Table B-2—Continued
Djibouti: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	2,007	4,042	2,243	3,632	3,613	-0.5
Imports	-	24	20	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	323	61	234	146	467	220.1
Imports	-	-	1	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	320	886	817	185	177	-4.4
Imports	-	-	-	26	-	-100.0
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	26	25	-	4	9	100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	131	99	40	98	13	-86.3
Imports	-	2	-	2	-	-100.0
GSP imports	-	1	-	-	-	-
Machinery:						
Exports	768	988	726	588	671	14.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	86	89	24	4	121	2,909.3
Imports	-	-	27	-	8	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	53	134	70	28	50	74.0
Imports	-	-	-	6	-	-100.0
GSP imports	-	-	-	6	-	-100.0
Special provisions:						
Exports	2,009	899	303	452	242	-46.4
Imports	-	2	14	-	-	-
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	4,617	5,538	2,014	3,290	2,590	-21.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	246	191	232	29	285	894.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	10,587	12,953	6,703	8,457	8,237	-2.6
Total import value	-	28	62	34	8	-77.3
Total import GSP value ...	-	2	-	6	-	-100.0

See notes at end of table.

Table B-2—Continued
Equatorial Guinea: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	2,416	-	17	13	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	533	350	41	881	385	-56.2
Imports	-	-	23	-	1,940	-
GSP imports	-	-	23	-	-	-
Electronic products:						
Exports	85	217	108	177	233	31.2
Imports	24	-	289	423	3	-99.2
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	5	-	-	-	163	-
Imports	-	3,640	-	27,648	73,319	165.2
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	10	158	-	-	7	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	431	17	42	22	59	162.0
Imports	-	-	-	2,339	304	-87.0
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	57	238	66	1,131	2,097	85.5
Imports	-	-	-	20	17	-14.5
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	1,292	41	8	98	2,498	2442.6
Imports	101	-	-	-	9	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	13	-	-	-	502	-
Imports	-	-	13	3	-	-100.0
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	185	378	23	98	278	184.4
Imports	1	40	1	501	298	-40.5
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	59	78	128	145	381	162.1
Imports	-	-	-	34	-	-100.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	5,640	1,956	1,460	2,769	10,126	265.7
Imports	-	-	-	-	62	-
GSP imports	-	-	-	-	-	-
Total export value	10,726	3,433	1,894	5,335	16,729	213.5
Total import value	126	3,680	326	30,969	75,953	145.2
Total import GSP value ...	-	-	23	-	-	-

See notes at end of table.

Table B-2—Continued
Eritrea: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	-	264	5,919	3,310	7,715	133.1
Imports	-	-	12	84	204	144.8
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	-	-	5	21	275	1209.5
Imports	-	-	-	75	4	-94.3
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	-	430	637	2,303	1,456	-36.7
Imports	-	-	-	33	3	-90.0
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	-	90	48	73	51.8
Imports	-	-	-	17	1,092	6323.5
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	-	4	397	2,124	3,053	43.7
Imports	-	-	-	-	75	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	-	-	18	4	147	3575.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	-	-	125	22	-82.4
Imports	-	-	70	-	3	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	-	216	375	650	634	-2.4
Imports	-	-	17	12	-	-100.0
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	-	-	-	5	97	1840.0
Imports	-	-	4	41	165	302.1
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	-	4	711	7,951	439	-94.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	-	918	8,154	16,540	13,912	-15.8
Total import value	-	-	103	262	1,548	491.0
Total import GSP value ...	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Ethiopia: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	66,096	69,013	85,500	62,862	36,118	-42.5
Imports	7,464	19,808	31,672	29,713	23,399	-21.2
GSP imports	-	28	-	40	81	104.0
Chemicals & related products:						
Exports	4,342	15,880	6,861	27,042	23,647	-12.5
Imports	508	88	120	1,009	748	-25.9
GSP imports	-	1	1	363	-	-100.0
Electronic products:						
Exports	3,758	4,296	8,873	5,963	4,889	-17.9
Imports	-	-	8	1	11	1000.0
GSP imports	-	-	-	-	1	-
Energy related products:						
Exports	7	52	123	46	234	404.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	9	8	-10.6
Imports	-	1	2	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	403	1,253	654	1,494	1,328	-11.1
Imports	-	7	21	7	9	23.9
GSP imports	-	2	2	-	5	-
Machinery:						
Exports	1,154	3,969	8,398	17,487	34,243	95.8
Imports	10	-	62	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	251	523	504	563	607	7.7
Imports	2	6	11	270	2,910	979.4
GSP imports	-	-	6	2	-	-100.0
Miscellaneous manufactures:						
Exports	51	117	203	269	449	66.7
Imports	11	396	39	16	20	24.7
GSP imports	-	15	34	8	5	-45.0
Special provisions:						
Exports	6,005	7,790	6,626	7,858	5,951	-24.2
Imports	316	1,586	967	860	1,056	22.8
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	831	1,500	942	1,273	1,405	10.4
Imports	41	166	1,185	906	430	-52.6
GSP imports	-	-	102	-	-	-
Transportation equipment:						
Exports	166,452	31,668	23,738	21,925	36,123	64.7
Imports	4	5	14	-	6,002	-
GSP imports	-	-	-	-	-	-
Total export value	249,350	136,061	142,421	146,792	145,002	-1.2
Total import value	8,356	22,063	34,100	32,784	34,586	5.4
Total import GSP value ...	-	47	147	413	92	-77.7

See notes at end of table.

Table B-2—Continued
Gabon: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	1,322	1,867	1,553	1,053	1,334	26.6
Imports	2,900	292	465	299	1,289	330.5
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	1,613	1,315	1,976	2,002	2,465	23.0
Imports	5,143	327	407	411	12,663	2982.5
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	6,155	3,189	4,482	2,564	2,649	3.3
Imports	29	23	112	8	71	787.5
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	320	619	910	534	934	74.8
Imports	890,821	905,257	1,207,818	1,540,001	1,797,192	16.7
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	22	-	-	3	10	233.3
Imports	-	36	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	85	241	1,543	1,169	110	-90.6
Imports	34	5	138	153	190	23.7
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	9,679	5,550	6,673	6,523	4,735	-27.4
Imports	-	3	112	-	205	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	1,197	1,415	965	2,103	929	-55.8
Imports	27,498	15,353	22,276	20,570	27,280	32.6
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	118	117	370	828	560	-32.4
Imports	54	108	431	56	360	541.2
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	1,372	1,049	1,406	1,650	1,132	-31.4
Imports	873	1,287	1,046	2,375	2,960	24.6
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	128	920	310	377	726	92.3
Imports	555	11	3	1	15	1400.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	32,656	31,092	19,883	35,110	40,059	14.0
Imports	7	-	-	-	105	-
GSP imports	-	-	-	-	-	-
Total export value	54,666	47,374	40,071	53,917	55,641	3.1
Total import value	927,914	922,682	1,232,709	1,563,875	1,842,331	17.8
Total import GSP value ...	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Gambia: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	4,043	4,621	1,442	3,048	3,208	5.2
Imports	-	6,352	15	26	6	-76.9
GSP imports	-	10	6	5	6	20.0
Chemicals & related products:						
Exports	1,390	1,999	98	148	322	117.6
Imports	92	1	-	4	-	-100.0
GSP imports	-	1	-	-	-	-
Electronic products:						
Exports	1,664	1,033	682	771	295	-61.6
Imports	24	-	15	26	4	-84.8
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	79	40	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	.3	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	20	36	-	162	7	-95.9
Imports	58	10	2	12	2	-83.9
GSP imports	28	3	-	12	2	-83.9
Machinery:						
Exports	225	580	500	182	352	93.1
Imports	50	-	-	2	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	84	149	149	326	423	29.5
Imports	718	1,992	1,951	2,096	1,667	-20.4
GSP imports	-	-	-	2	-	-100.0
Miscellaneous manufactures:						
Exports	57	86	48	21	147	600.0
Imports	-	4	11	13	200	1438.5
GSP imports	-	3	2	10	3	-70.0
Special provisions:						
Exports	219	264	261	634	888	40.1
Imports	9	26	221	7	7	0.0
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	2,117	1,219	470	628	1,493	137.7
Imports	138	209	459	62	26	-57.6
GSP imports	-	.5	-	.4	-	-100.0
Transportation equipment:						
Exports	85	51	202	68	1,223	1698.5
Imports	54	-	11	10	14	39.6
GSP imports	-	-	-	-	-	-
Total export value	9,985	10,077	3,852	5,988	8,357	39.5
Total import value	1,143	8,594	2,685	2,259	1,927	-14.6
Total import GSP value ...	28	17	8	29	11	-62.6

See notes at end of table.

Table B-2—Continued
Ghana: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	27,068	45,378	36,631	46,527	66,040	41.9
Imports	44,665	58,506	17,362	58,699	40,415	-31.1
GSP imports	889	1,578	939	677	695	2.6
Chemicals & related products:						
Exports	21,067	41,648	15,005	27,333	40,350	47.6
Imports	100	66	157	646	1,553	140.3
GSP imports	-	-	1	-	3	-
Electronic products:						
Exports	8,176	9,777	8,203	9,867	21,644	119.3
Imports	-	42	14	9	180	1900.0
GSP imports	-	-	-	-	5	-
Energy related products:						
Exports	6,538	506	5,280	7,903	13,000	64.5
Imports	7,124	11,243	21,118	-	2,695	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	308	470	297	387	543	40.3
Imports	1	1	1	-	1	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	1,402	8,353	1,361	2,750	3,019	9.7
Imports	1,960	2,226	4,192	6,723	10,689	59.0
GSP imports	211	347	455	637	586	-7.9
Machinery:						
Exports	12,740	37,453	11,915	15,518	18,004	16.0
Imports	208	90	-	25	26	4.0
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	7,520	11,678	5,187	7,121	7,779	9.2
Imports	41,249	126,826	152,903	125,112	113,540	-9.2
GSP imports	800	412	1,264	97	67	-30.5
Miscellaneous manufactures:						
Exports	1,751	3,313	1,479	1,125	2,206	96.0
Imports	92	111	303	542	356	-34.2
GSP imports	61	96	194	331	151	-54.3
Special provisions:						
Exports	7,127	9,481	5,008	6,744	11,319	67.8
Imports	642	8,276	510	1,331	966	-27.4
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	9,004	10,700	7,303	7,759	11,091	42.9
Imports	379	1,081	1,920	2,981	912	-69.3
GSP imports	9	41	16	34	1	-97.0
Transportation equipment:						
Exports	16,987	32,532	23,700	33,668	99,334	195.0
Imports	-	-	7	6	21	250.0
GSP imports	-	-	-	2	21	950.0
Total export value	119,686	211,291	121,369	166,701	294,330	76.5
Total import value	96,421	208,469	198,486	196,074	171,354	-12.6
Total import GSP value ...	1,969	2,474	2,869	1,778	1,530	-13.9

See notes at end of table.

Table B-2—Continued
Guinea: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	23,796	27,116	16,801	29,296	22,165	-24.3
Imports	599	649	311	333	1,554	367.0
GSP imports	98	47	4	5	33	560.0
Chemicals & related products:						
Exports	4,328	5,280	5,045	5,204	5,404	3.8
Imports	53	4,873	1	91	4,922	5308.8
GSP imports	-	-	1	-	-	-
Electronic products:						
Exports	3,676	3,464	3,712	4,085	6,189	51.4
Imports	-	3	153	627	43	-93.1
GSP imports	-	-	11	-	-	-
Energy related products:						
Exports	4,522	1,634	1,262	1,267	2,758	117.5
Imports	-	4,490	-	-	13,725	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	26	31	91	49	161	228.6
Imports	44	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	927	1,036	981	1,321	1,346	1.8
Imports	61	59	15	12	4	-66.7
GSP imports	33	9	13	3	-	-100.0
Machinery:						
Exports	3,135	2,755	2,812	3,078	5,354	73.9
Imports	6	20	3	39	7	-81.1
GSP imports	-	-	3	11	-	-100.0
Minerals & metals:						
Exports	1,385	1,729	1,417	1,431	2,879	101.1
Imports	100,142	102,258	90,012	91,042	93,293	2.4
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	653	470	278	417	406	-2.5
Imports	78	199	42	49	44	-10.2
GSP imports	-	3	4	3	19	493.6
Special provisions:						
Exports	4,745	4,450	5,229	7,884	10,034	27.2
Imports	378	408	2,202	688	1,804	162.5
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	1,590	1,591	2,016	2,594	4,585	76.7
Imports	9	10	73	155	13	-91.8
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	11,155	7,704	7,651	9,675	25,418	162.7
Imports	-	3	2	80	12	-85.3
GSP imports	-	-	-	-	-	-
Total export value	59,938	57,260	47,295	66,302	86,698	30.7
Total import value	101,370	112,974	92,815	93,115	115,421	23.9
Total import GSP value ...	132	60	36	23	51	138.2

See notes at end of table.

Table B-2—Continued
Guinea-Bissau: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	15	652	21	377	-	-100.0
Imports	-	-	-	-	41	-
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	-	-	205	-	41	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	1,309	403	512	477	423	-11.3
Imports	15	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	4,366	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	57	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	-	5	-	31	-
Imports	2	-	-	39	5	-87.1
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	-	-	14	-	1,018	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	3	-	-	-	59	-
Imports	-	198	-	-	-	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	26	31	-	33	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	31	17	31	14	118	742.9
Imports	7	10	-	-	-	-
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	24	-	-	-	-	-
Imports	1	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	84	546	106	-	951	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	1,466	1,644	980	868	7,041	711.0
Total import value	25	209	-	39	46	17.9
Total import GSP value ...	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Kenya: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	47,574	29,187	57,394	33,912	10,181	-69.9
Imports	40,706	44,831	53,627	48,640	53,399	9.8
GSP imports	2,261	3,037	3,938	2,119	1,217	-42.5
Chemicals & related products:						
Exports	16,940	17,784	26,378	17,087	27,970	63.6
Imports	536	865	1,495	1,477	1,830	23.9
GSP imports	-	-	91	19	144	657.9
Electronic products:						
Exports	8,025	8,470	13,699	11,881	10,125	-14.7
Imports	4,114	1,542	1,427	3,778	3,803	0.7
GSP imports	6	39	12	211	323	53.0
Energy related products:						
Exports	286	2,263	3,260	2,325	1,374	-40.8
Imports	3,387	8,008	101	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	15	4	107	273	310	13.5
Imports	166	122	307	1	1	0.0
GSP imports	66	-	-	-	-	-
Forest products:						
Exports	2,311	1,487	1,609	3,286	1,912	-41.8
Imports	1,720	2,230	2,512	2,159	2,153	-0.2
GSP imports	1,533	2,138	2,208	1,938	1,952	0.7
Machinery:						
Exports	16,841	19,371	10,309	12,735	12,444	-2.2
Imports	629	1,135	236	166	1,081	551.3
GSP imports	7	8	173	-	7	-
Minerals & metals:						
Exports	960	1,064	1,262	2,344	1,663	-29.0
Imports	1,852	2,965	3,741	2,874	4,176	45.3
GSP imports	763	1,367	1,969	1,738	1,380	-20.6
Miscellaneous manufactures:						
Exports	448	1,058	1,469	471	861	82.7
Imports	809	1,161	1,691	1,331	3,292	147.3
GSP imports	338	595	726	465	584	25.7
Special provisions:						
Exports	7,689	8,057	25,958	5,296	6,952	31.2
Imports	11,032	4,836	7,760	4,237	2,383	-43.7
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	1,854	2,624	3,383	3,422	4,787	39.8
Imports	8,082	24,001	37,986	36,666	27,803	-24.1
GSP imports	5	11	22	122	4	-97.0
Transportation equipment:						
Exports	20,057	24,096	23,656	19,613	22,736	15.9
Imports	299	577	81	107	112	5.1
GSP imports	-	-	-	-	38	-
Total export value	122,999	115,464	168,484	112,646	101,314	-10.0
Total import value	73,334	92,276	110,964	101,435	100,035	-1.3
Total import GSP value ...	4,981	7,194	9,140	6,611	5,649	-14.5

See notes at end of table.

Table B-2—Continued

Lesotho: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	1,781	2,482	2,708	1,496	1,939	29.6
Imports	14	-	-	-	-	-
GSP imports	14	-	-	-	-	-
Chemicals & related products:						
Exports	42	136	34	15	16	6.7
Imports	-	-	13	2	-	-100.0
GSP imports	-	-	13	2	-	-100.0
Electronic products:						
Exports	648	113	116	122	77	-37.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	8	-	4	-	4	-
Imports	-	-	-	-	3	-
GSP imports	-	-	-	-	3	-
Machinery:						
Exports	55	44	36	24	6	-75.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	-	-	-	-	-	-
Imports	1,219	458	83	83	-	-100.0
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	61	47	-	-	-	-
Imports	2	-	30	1	2	100.0
GSP imports	2	-	30	1	-	-100.0
Special provisions:						
Exports	66	347	72	259	78	-69.8
Imports	90	170	155	32	65	103.1
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	160	150	11	35	173	394.3
Imports	51,064	55,093	62,456	61,792	64,928	5.0
GSP imports	-	2	8	-	-	-
Transportation equipment:						
Exports	232	693	349	35	346	888.6
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	3,053	4,014	3,331	1,986	2,640	32.9
Total import value	52,388	55,721	62,737	61,909	64,997	4.9
Total import GSP value ...	16	2	51	3	3	0.0

See notes at end of table.

Table B-2—Continued
Liberia: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	14,996	14,007	36,193	29,839	35,199	17.9
Imports	-	-	3	2	69	3350.0
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	1,696	776	835	963	1,097	13.9
Imports	9,341	648	971	1,562	83	-94.7
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	2,145	921	1,777	866	1,289	48.8
Imports	17	12	134	8	179	2137.5
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	181	34	8	1,901	112	-94.0
Imports	-	-	157	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	51	266	258	247	-4.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	1,382	265	233	559	306	-45.3
Imports	13	-	32	-	2	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	2,979	558	475	415	475	14.6
Imports	-	15	2	85	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	310	120	214	58	575	891.4
Imports	2,748	2,089	2,123	7,987	26,134	227.2
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	282	446	220	138	57	-58.9
Imports	30	115	2	23	14	-39.1
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	2,592	875	3,295	3,792	7,039	85.6
Imports	46	137	20	43	365	748.8
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	1,567	1,202	2,072	1,632	2,025	24.0
Imports	1	45	-	-	8	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	2,291	749	622	1,132	1,269	12.0
Imports	27	23	29	19	38	100.0
GSP imports	-	-	-	-	-	-
Total export value	30,420	20,003	46,210	41,552	49,690	19.5
Total import value	12,223	3,084	3,471	9,728	26,893	176.4
Total import GSP value ...	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Madagascar: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	2,382	3,657	2,214	2,860	1,675	-41.4
Imports	48,220	36,052	47,108	38,484	25,318	-34.2
GSP imports	5,764	49	5,894	3,326	247	-92.5
Chemicals & related products:						
Exports	587	148	121	296	1,369	363.1
Imports	676	713	1,000	941	794	-15.6
GSP imports	-	-	-	-	8	-
Electronic products:						
Exports	1,229	1,650	5,692	1,807	1,995	10.3
Imports	9	2	127	665	857	28.9
GSP imports	-	-	87	614	801	30.4
Energy related products:						
Exports	31	-	125	35	25	-28.6
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	3	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	7	13	196	104	57	-44.9
Imports	251	407	882	3,064	2,891	-5.6
GSP imports	197	312	772	1,766	1,633	-7.4
Machinery:						
Exports	406	377	1,085	681	1,956	187.1
Imports	11	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	29	87	198	143	37	-74.0
Imports	3,277	2,798	3,070	3,091	3,541	14.5
GSP imports	26	471	340	79	53	-32.9
Miscellaneous manufactures:						
Exports	107	2,715	103	45	30	-33.3
Imports	171	307	855	652	160	-75.4
GSP imports	142	80	108	19	95	400.0
Special provisions:						
Exports	648	1,166	382	237	506	113.3
Imports	62	89	162	2,449	237	-90.3
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	51	25	22	465	66	-85.7
Imports	826	2,343	3,514	7,888	11,878	50.5
GSP imports	28	426	566	875	829	-5.2
Transportation equipment:						
Exports	593	976	37,138	2,827	3,555	25.7
Imports	-	-	-	5	-	-100.0
GSP imports	-	-	-	-	-	-
Total export value	6,071	10,815	47,279	9,501	11,271	18.6
Total import value	53,503	42,711	56,719	57,238	45,675	-20.2
Total import GSP value ...	6,156	1,338	7,767	6,678	3,666	-45.1

See notes at end of table.

Table B-2—Continued
Malawi: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	1,962	6,235	3,595	7,583	325	-95.7
Imports	47,555	75,975	44,235	36,342	60,868	67.4
GSP imports	368	4,705	3,944	285	7,606	2568.8
Chemicals & related products:						
Exports	955	695	432	991	1,541	55.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	2,589	1,545	1,440	3,560	2,450	-31.1
Imports	-	-	2	74	-	-100.0
GSP imports	-	-	2	-	-	-
Energy related products:						
Exports	-	-	-	26	9	-65.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	29	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	746	1,329	1,292	416	113	-72.9
Imports	326	19	1	34	133	291.2
GSP imports	313	14	-	18	130	622.2
Machinery:						
Exports	1,092	2,990	4,708	767	773	0.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	184	314	206	33	19	-41.2
Imports	-	6	6	18	-	-100.0
GSP imports	-	6	-	-	-	-
Miscellaneous manufactures:						
Exports	8	4	-	61	33	-45.9
Imports	71	37	59	81	35	-57.1
GSP imports	6	6	5	3	9	200.0
Special provisions:						
Exports	1,104	1,520	3,353	3,412	2,528	-25.9
Imports	706	27	19	40	59	47.5
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	146	68	353	492	3,220	554.0
Imports	7,762	8,176	3,766	2,265	1,488	-34.3
GSP imports	-	-	-	1	-	-100.0
Transportation equipment:						
Exports	4,784	1,119	3,279	470	2,176	362.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	13,571	15,818	18,657	17,810	13,216	-25.7
Total import value	56,419	84,239	48,089	38,854	62,584	61.0
Total import GSP value ...	688	4,731	3,951	306	7,744	2428.0

See notes at end of table.

Table B-2—Continued
Mali: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	5,841	1,810	494	2,052	1,258	-38.6
Imports	152	119	322	179	1,031	476.0
GSP imports	-	92	20	14	19	33.5
Chemicals & related products:						
Exports	1,079	1,180	2,420	1,406	875	-37.7
Imports	419	50	43	80	195	143.1
GSP imports	-	-	18	23	10	-53.8
Electronic products:						
Exports	1,257	2,062	988	2,761	2,545	-7.8
Imports	179	195	1,153	2,452	1,376	-43.8
GSP imports	-	10	77	11	-	-100.0
Energy related products:						
Exports	-	-	-	31	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	30	-	33	156	372.7
Imports	-	-	-	-	1	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	70	335	11	274	297	8.4
Imports	243	212	146	56	89	58.6
GSP imports	184	194	117	51	61	19.6
Machinery:						
Exports	242	10,866	8,271	10,848	5,895	-45.6
Imports	13	204	-	562	119	-78.7
GSP imports	2	-	-	347	65	-81.1
Minerals & metals:						
Exports	49	3,634	583	109	104	-5.1
Imports	19	42	204	66	290	339.8
GSP imports	2	34	4	3	76	2433.3
Miscellaneous manufactures:						
Exports	23	417	782	88	67	-23.5
Imports	328	142	1,139	322	1,557	383.4
GSP imports	52	35	64	41	15	-62.8
Special provisions:						
Exports	350	469	422	524	883	68.2
Imports	80	119	852	717	538	-24.9
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	1,554	1,861	1,699	2,941	1,512	-48.5
Imports	137	176	187	1,043	271	-74.0
GSP imports	1	2	8	284	4	-98.2
Transportation equipment:						
Exports	700	9,815	3,339	2,050	4,599	124.3
Imports	-	121	26	18	-	-100.0
GSP imports	-	-	26	-	-	-
Total export value	11,166	32,478	19,009	23,118	18,193	-21.3
Total import value	1,570	1,378	4,073	5,495	5,467	-0.5
Total import GSP value ...	241	367	334	775	252	-67.4

See notes at end of table.

Table B-2—Continued
Mauritania: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	7,644	4,381	5,791	27,505	4,951	-81.9
Imports	55	13	-	-	5	-
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	469	213	821	253	373	47.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	438	614	640	8,182	1,715	-79.0
Imports	4	16	60	3	5	66.7
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	61	61	22	29	9	-69.0
Imports	-	1,976	1,240	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	1	-	-	9	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	4	14	-	3	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	4,880	447	1,279	1,788	843	-52.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	286	4,379	1,390	1,699	2,166	27.4
Imports	6,200	3,747	2,192	5,523	5,088	-7.8
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	5	-	-	-	41	-
Imports	-	-	11	-	-	-
GSP imports	-	-	11	-	-	-
Special provisions:						
Exports	572	231	565	515	132	-74.3
Imports	2,115	605	1	14	40	185.7
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	28	79	78	-	17	-
Imports	165	93	13	-	148	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	44,050	8,760	3,344	2,967	4,220	42.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	58,432	19,170	13,943	42,939	14,559	-66.0
Total import value	8,539	6,451	3,517	5,540	5,294	-4.4
Total import GSP value ...	-	-	11	-	-	-

See notes at end of table.

Table B-2—Continued
Mauritius: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	789	901	510	516	498	-3.4
Imports	2,534	14,512	10,541	10,647	24,152	126.8
GSP imports	918	10,897	8,837	3,160	11,545	265.3
Chemicals & related products:						
Exports	1,182	530	992	1,252	1,338	6.8
Imports	1,915	89	130	296	336	13.3
GSP imports	9	8	62	-	13	-
Electronic products:						
Exports	5,412	3,460	4,099	7,908	4,900	-38.0
Imports	9,758	11,827	10,903	15,888	15,473	-2.6
GSP imports	4,006	4,660	4,830	5,678	4,550	-19.8
Energy related products:						
Exports	158	165	850	36	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	80	-
Imports	32	412	24	68	70	2.3
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	865	949	734	1,228	1,087	-11.4
Imports	278	55	115	464	219	-52.9
GSP imports	90	20	52	19	-	-100.0
Machinery:						
Exports	4,993	3,577	8,251	3,318	3,651	10.0
Imports	207	386	995	1,620	1,551	-4.2
GSP imports	43	-	-	-	-	-
Minerals & metals:						
Exports	463	889	381	697	1,427	104.5
Imports	1,718	1,741	3,553	4,602	3,656	-20.5
GSP imports	173	150	107	103	181	75.8
Miscellaneous manufactures:						
Exports	901	739	528	1,373	1,388	1.1
Imports	4,534	3,988	2,111	3,798	3,677	-3.1
GSP imports	2,144	2,434	1,789	1,507	1,884	25.0
Special provisions:						
Exports	641	678	867	842	1,055	25.3
Imports	453	859	836	814	1,280	57.3
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	853	997	1,068	1,300	520	-59.9
Imports	115,348	162,339	187,298	191,029	165,220	-13.5
GSP imports	2	-	6	9	-	-100.0
Transportation equipment:						
Exports	2,833	2,081	706	971	5,086	423.5
Imports	70	231	264	367	617	68.0
GSP imports	-	-	-	-	-	-
Total export value	19,089	14,966	18,987	19,441	21,029	8.1
Total import value	136,847	196,440	216,769	229,594	216,251	-5.8
Total import GSP value ...	7,385	18,170	15,683	10,476	18,173	73.5

See notes at end of table.

Table B-2—Continued
Mozambique: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	69,543	24,768	19,483	28,347	9,934	-64.9
Imports	18,507	6,581	19,763	23,993	25,406	5.9
GSP imports	7,265	-	17,156	20,083	12,419	-38.1
Chemicals & related products:						
Exports	1,965	1,625	1,848	1,505	1,425	-5.3
Imports	60	1	-	239	43	-81.9
GSP imports	60	-	-	-	-	-
Electronic products:						
Exports	2,541	3,269	4,381	1,801	2,585	43.5
Imports	34	-	6	15	4	-73.3
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	17	54	38	41	11	-73.6
Imports	-	-	-	1,417	-	-100.0
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	5	-	-	-	103	-
Imports	34	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	33	19	142	189	37	-80.1
Imports	-	35	21	-	68	-
GSP imports	-	-	-	-	4	-
Machinery:						
Exports	1,167	2,147	2,107	1,106	1,646	48.7
Imports	32	21	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	85	138	193	1,175	233	-80.1
Imports	93	108	147	927	482	-48.0
GSP imports	93	106	65	7	18	157.1
Miscellaneous manufactures:						
Exports	7	67	11	35	1,072	2962.9
Imports	29	4	165	2	20	900.0
GSP imports	2	-	-	-	-	-
Special provisions:						
Exports	1,198	1,049	1,340	1,450	936	-35.4
Imports	305	170	219	655	82	-87.5
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	793	3,889	2,749	3,513	3,018	-14.0
Imports	78	1,425	465	282	447	58.5
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	72,276	2,340	6,980	9,842	1,611	-83.6
Imports	197	4	11	14	-	-100.0
GSP imports	-	-	-	-	-	-
Total export value	149,631	39,366	39,272	49,004	22,612	-53.8
Total import value	19,369	8,350	20,796	27,544	26,552	-3.6
Total import GSP value ...	7,420	107	17,221	20,090	12,440	-38.0

See notes at end of table.

Table B-2—Continued
Namibia: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	2,405	9,590	1,161	4,648	4,883	5.0
Imports	5,077	7,636	5,238	3,738	11,569	209.4
GSP imports	3,204	3,583	1,909	1,538	292	-81.0
Chemicals & related products:						
Exports	169	340	368	354	154	-56.3
Imports	19	11	60	12	19	58.3
GSP imports	17	-	-	-	-	-
Electronic products:						
Exports	1,302	3,399	5,269	2,455	2,460	0.2
Imports	401	4	93	17	32	88.2
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	11	-	-	24	24	0.0
Imports	31,832	9,055	15,436	5,819	12,724	118.7
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	2	-	18	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	51	197	34	65	68	4.1
Imports	4	1	167	479	38	-91.9
GSP imports	-	-	3	16	29	81.3
Machinery:						
Exports	4,796	178	493	1,437	811	-43.5
Imports	2	1	4	37	12	-67.6
GSP imports	-	-	-	22	-	-100.0
Minerals & metals:						
Exports	29	67	77	336	238	-33.1
Imports	8,947	934	8,089	322	305	-5.2
GSP imports	8,231	-	4,558	-	100	-
Miscellaneous manufactures:						
Exports	596	445	234	422	198	-53.1
Imports	104	450	48	11	590	5263.6
GSP imports	5	-	-	-	30	-
Special provisions:						
Exports	3,376	1,596	2,886	4,360	4,133	-5.2
Imports	2,168	3,863	800	963	1,634	69.7
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	87	92	173	130	100	-23.4
Imports	39	61	117	51	20	-60.8
GSP imports	21	3	-	21	-	-100.0
Transportation equipment:						
Exports	20,871	3,694	5,493	12,300	8,810	-28.3
Imports	-	12	106	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	33,692	19,598	16,188	26,551	21,879	-17.5
Total import value	48,595	22,028	30,176	11,450	26,944	135.2
Total import GSP value ...	11,479	3,586	6,470	1,598	451	-71.7

See notes at end of table.

Table B-2—Continued
Niger: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	2,819	2,016	1,078	2,077	1,144	-44.9
Imports	20	141	808	345	116	-66.4
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	2,317	4,275	1,840	244	1,015	316.1
Imports	620	1,079	62	136	66	-51.3
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	1,317	1,218	1,067	908	1,470	61.8
Imports	129	417	33	90	72	-19.9
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	22	-	-	13	14	7.7
Imports	-	2,490	1,948	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	6	31	13	-	125	-
Imports	-	-	1	1	-	-100.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	266	192	289	98	300	206.3
Imports	328	-	8	8	4	-50.0
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	279	2,890	326	169	542	220.7
Imports	262	147	188	92	217	135.9
GSP imports	-	-	-	-	49	-
Minerals & metals:						
Exports	112	144	78	50	41	-17.8
Imports	38	21	13	10	7	-30.0
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	484	71	125	347	271	-21.9
Imports	415	43	314	463	62	-86.6
GSP imports	-	15	14	14	25	78.9
Special provisions:						
Exports	1,019	969	457	968	1,110	14.6
Imports	1,033	943	153	59	61	3.5
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	2,855	2,072	4,972	10,458	19,629	87.6
Imports	25	408	541	280	161	-42.2
GSP imports	-	-	2	-	1	-
Transportation equipment:						
Exports	1,053	1,933	1,659	1,790	1,182	-33.9
Imports	14	28	192	66	7	-89.8
GSP imports	-	-	-	-	-	-
Total export value	12,549	15,813	11,905	17,123	26,843	56.7
Total import value	2,884	5,716	4,260	1,551	773	-50.1
Total import GSP value ...	-	15	16	14	74	430.7

See notes at end of table.

Table B-2—Continued
Nigeria: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	68,618	141,634	68,772	117,192	177,146	51.1
Imports	20,694	33,203	30,201	17,706	12,010	-32.1
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	91,867	68,248	36,377	83,359	59,880	-28.1
Imports	16,190	30,071	27,621	68,825	174,839	154.0
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	83,412	84,906	37,649	50,406	38,269	-24.0
Imports	80	80	46	79	83	5.6
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	18,206	36,718	2,741	19,417	23,079	18.8
Imports	5,026,407	5,230,547	4,529,938	4,783,683	5,681,683	18.7
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	496	324	200	214	446	107.8
Imports	-	19	1	18	1	-98.1
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	14,352	9,060	6,698	19,427	8,209	-57.7
Imports	884	2,007	438	482	618	28.2
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	179,053	162,272	95,811	58,922	75,268	27.7
Imports	16	2	-	3	7	133.3
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	53,333	43,010	21,868	40,559	67,334	66.0
Imports	946	384	175	2,335	1,393	-40.3
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	7,212	10,746	2,710	2,643	1,779	-32.6
Imports	326	593	1,255	577	1,290	123.6
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	13,368	14,259	8,442	7,418	8,858	19.4
Imports	2,735	11,560	4,477	2,787	3,224	15.6
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	21,515	21,191	16,279	15,794	8,687	-44.9
Imports	1,504	787	1,041	1,820	1,591	-12.5
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	428,720	282,838	203,038	174,398	327,341	87.7
Imports	1,418	217	172	165	53	-68.0
GSP imports	-	-	-	-	-	-
Total export value	980,152	875,206	500,587	589,749	796,297	35.0
Total import value	5,071,201	5,309,470	4,595,364	4,878,480	5,876,792	20.4
Total import GSP value ...	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Rwanda: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	7	5,315	30,366	32,188	33,443	3.8
Imports	2,435	576	163	832	7,234	769.2
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	542	475	140	537	222	-58.6
Imports	-	5	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	365	293	1,914	1,771	1,406	-20.5
Imports	2	-	67	2	40	1900.0
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	6	20	235.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	5	23	3	1,638	30	-98.1
Imports	-	-	4	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	86	11	822	241	163	-32.3
Imports	3	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	3	37	-	129	3	-97.6
Imports	2,347	3,502	1,413	598	1,377	130.3
GSP imports	222	366	-	-	-	-
Miscellaneous manufactures:						
Exports	-	10	-	36	21	-41.8
Imports	-	-	9	1	7	600.0
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	372	279	1,221	1,630	704	-56.8
Imports	17	11	7	447	91	-79.7
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	1,053	484	24	187	467	149.7
Imports	1	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	13	92	109	98	14	-85.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	2,448	7,020	34,600	38,461	36,494	-5.1
Total import value	4,805	4,094	1,663	1,880	8,748	365.2
Total import GSP value ...	222	366	-	-	-	-

See notes at end of table.

Table B-2—Continued
Sao Tome and Principe: U.S. exports, imports, and GSP imports, by major commodity sectors,
1992-96

(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	531	108	220	519	-	-100.0
Imports	5	13	-	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	92	75	8	47	7	-85.0
Imports	14	-	3	-	117	-
GSP imports	-	-	-	-	117	-
Electronic products:						
Exports	109	1,023	2,713	563	82	-85.3
Imports	345	74	2	2	-	-100.0
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	4	-	9	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	56	20	342	-	-	-
Imports	-	3	24	30	-	-100.0
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	432	292	3,135	92	-	-100.0
Imports	-	-	-	-	75	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	37	86	1,068	63	43	-29.9
Imports	-	-	-	-	5	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	-	372	3	5	66.7
Imports	29	-	-	-	2	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	701	770	265	98	7	-92.7
Imports	6	516	5	43	248	480.5
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	-	-	-	-	-	-
Imports	-	69	-	64	1	-99.3
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	720	137	4,893	439	76	-82.6
Imports	3	-	5	5	3	-43.0
GSP imports	-	-	-	-	-	-
Total export value	2,683	2,512	13,024	1,824	221	-87.8
Total import value	401	675	39	144	449	211.1
Total import GSP value ...	-	-	-	-	117	-

See notes at end of table.

Table B-2—Continued
Senegal: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	24,080	41,442	16,645	14,215	13,172	-7.3
Imports	2,133	495	1,188	1,172	986	-15.8
GSP imports	1,220	296	1,066	971	785	-19.1
Chemicals & related products:						
Exports	16,884	5,686	7,567	15,041	11,663	-22.4
Imports	17	6	503	1,485	250	-83.1
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	7,972	2,477	2,682	3,903	4,269	9.3
Imports	916	396	579	1,416	502	-64.5
GSP imports	119	9	24	-	214	-
Energy related products:						
Exports	150	130	1,584	341	220	-35.5
Imports	2,397	2,703	2,676	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	14	93	-	5	3	-40.0
Imports	18	2	1	1	1	0.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	712	101	357	1,468	839	-42.8
Imports	902	12	57	13	78	500.0
GSP imports	5	6	8	9	14	49.9
Machinery:						
Exports	5,757	3,581	2,638	4,034	5,403	33.9
Imports	95	68	69	71	60	-15.1
GSP imports	-	-	29	-	-	-
Minerals & metals:						
Exports	176	434	55	355	197	-44.6
Imports	17	-	27	2	8	297.7
GSP imports	5	-	-	2	-	-100.0
Miscellaneous manufactures:						
Exports	1,744	241	125	335	249	-25.4
Imports	1,075	998	1,637	501	878	75.0
GSP imports	1,045	397	250	167	337	101.4
Special provisions:						
Exports	4,342	5,389	2,096	1,822	2,236	22.7
Imports	1,081	1,258	4,611	1,181	1,696	38.8
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	6,247	3,741	2,690	3,515	4,675	33.0
Imports	1,517	1,518	73	629	1,016	61.5
GSP imports	1	-	-	4	3	-25.0
Transportation equipment:						
Exports	8,759	5,590	5,741	22,053	12,430	-43.6
Imports	21	40	9	4	18	350.0
GSP imports	-	-	-	-	-	-
Total export value	76,836	68,904	42,181	67,087	55,356	-17.4
Total import value	10,190	7,496	11,429	6,476	5,494	-15.1
Total import GSP value ...	2,395	708	1,376	1,154	1,353	17.2

See notes at end of table.

Table B-2—Continued
Seychelles: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	140	91	151	246	811	230.0
Imports	116	65	237	59	162	176.1
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	40	141	203	125	425	237.2
Imports	23	3	126	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	1,281	5,557	3,659	3,509	2,665	-24.0
Imports	5	20	842	636	232	-63.5
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	19	30	3	23	67	190.2
Imports	43	-	15	-	238	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	177	116	210	1,426	806	-43.4
Imports	416	61	32	3	17	466.7
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	52	230	114	55	137	151.6
Imports	-	5	2	155	70	-54.7
GSP imports	-	-	-	25	64	158.6
Miscellaneous manufactures:						
Exports	21	211	248	1,116	195	-82.5
Imports	-	154	3	34	8	-77.8
GSP imports	-	-	-	2	8	300.0
Special provisions:						
Exports	186	618	186	219	239	9.1
Imports	454	4,129	2,109	1,521	2,064	35.7
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	20	28	-	8	73	812.5
Imports	142	48	15	23	-	-100.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	310	57,452	1,280	144	97,804	67819.4
Imports	-	-	-	-	35	-
GSP imports	-	-	-	-	-	-
Total export value	2,247	64,475	6,054	6,871	103,221	1402.2
Total import value	1,198	4,485	3,382	2,430	2,826	16.2
Total import GSP value ...	-	-	-	27	71	168.3

See notes at end of table.

Table B-2—Continued
Sierra Leone: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	14,070	6,653	10,037	10,327	15,627	51.3
Imports	1,481	1,562	364	2,476	1,126	-54.5
GSP imports	68	40	57	38	38	0.0
Chemicals & related products:						
Exports	1,234	1,068	944	557	1,271	128.2
Imports	520	1,289	1,568	529	504	-4.7
GSP imports	435	687	1,563	415	501	20.7
Electronic products:						
Exports	879	750	945	501	1,402	179.8
Imports	9	10	2	39	106	171.8
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	514	310	673	5	31	522.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	22	136	282	109	161	47.7
Imports	949	901	-	7	-	-100.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	29	120	90	51	119	133.3
Imports	5	92	50	2	59	2850.0
GSP imports	3	-	4	2	-	-100.0
Machinery:						
Exports	3,251	2,428	3,184	1,185	940	-20.6
Imports	576	43	4,022	446	328	-26.5
GSP imports	334	43	3,992	442	1	-99.8
Minerals & metals:						
Exports	990	579	2,348	212	403	91.0
Imports	55,884	42,875	44,817	23,954	20,075	-16.2
GSP imports	42	410	122	28	-	-100.0
Miscellaneous manufactures:						
Exports	75	112	332	40	120	200.0
Imports	1,329	366	300	458	93	-79.7
GSP imports	483	181	232	379	83	-78.1
Special provisions:						
Exports	3,318	2,054	1,532	1,022	1,301	27.3
Imports	82	22	25	93	12	-87.1
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	2,705	3,861	2,803	3,367	5,252	56.0
Imports	12	59	66	462	40	-91.3
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	902	2,476	894	493	1,704	245.6
Imports	6	105	254	13	31	138.5
GSP imports	-	-	-	-	-	-
Total export value	27,988	20,547	24,064	17,869	28,332	58.6
Total import value	60,853	47,325	51,469	28,478	22,372	-21.4
Total import GSP value ...	1,364	1,361	5,970	1,304	623	-52.2

See notes at end of table.

Table B-2—Continued
Somalia: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	19,610	10,894	15,601	5,903	2,871	-51.4
Imports	2,411	61	66	38	82	115.8
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	-	129	333	1,044	18	-98.3
Imports	4	11	2	-	2	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	976	8,976	1,626	149	12	-91.9
Imports	-	28	17	5	23	360.0
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	20	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	34	14	-	6	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	10	16	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	11	1,702	4,095	95	97	2.1
Imports	-	-	-	4	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	51	358	68	25	-	-100.0
Imports	-	-	-	1	-	-100.0
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	8	28	2,460	-	373	-
Imports	2	-	1	40	15	-62.5
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	142	4,877	731	130	69	-46.9
Imports	7	72	12	16	17	6.3
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	15	175	31	349	779	123.2
Imports	2	3	-	1	.4	-60.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	7	3,394	4,801	359	-	-100.0
Imports	-	3	6	-	5	-
GSP imports	-	-	-	-	-	-
Total export value	20,819	30,561	29,762	8,055	4,220	-47.6
Total import value	2,426	212	118	106	150	41.5
Total import GSP value ...	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
South Africa: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	472,743	250,137	158,397	278,112	307,772	10.7
Imports	66,687	97,029	119,161	138,809	153,358	10.5
GSP imports	-	-	16,637	24,546	49,603	102.1
Chemicals & related products:						
Exports	303,120	277,114	325,701	440,189	419,380	-4.7
Imports	64,526	73,306	92,613	117,060	148,424	26.8
GSP imports	-	-	26,959	57,252	81,556	42.5
Electronic products:						
Exports	380,290	417,591	473,723	528,462	511,233	-3.3
Imports	2,633	4,086	9,421	11,229	14,924	32.9
GSP imports	-	-	2,497	5,410	5,307	-1.9
Energy related products:						
Exports	77,829	70,932	91,636	107,149	184,117	71.8
Imports	33,385	32,336	23,733	31,999	40,121	25.4
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	2,146	3,265	6,449	4,432	4,877	10.0
Imports	627	1,195	2,443	717	263	-63.3
GSP imports	-	-	115	58	1	-99.7
Forest products:						
Exports	125,902	133,439	129,214	147,919	159,385	7.8
Imports	54,779	48,600	53,899	63,085	70,204	11.3
GSP imports	-	-	6,305	7,962	4,538	-43.0
Machinery:						
Exports	280,307	266,488	315,403	365,887	486,760	33.0
Imports	31,069	33,125	37,028	49,268	74,980	52.2
GSP imports	-	-	17,085	38,157	58,289	52.8
Minerals & metals:						
Exports	92,220	65,864	83,245	100,483	145,681	45.0
Imports	1,383,724	1,433,648	1,526,801	1,592,504	1,588,469	-0.3
GSP imports	-	-	94,169	186,137	179,169	-3.7
Miscellaneous manufactures:						
Exports	25,636	23,634	43,719	40,040	45,765	14.3
Imports	5,260	6,993	11,782	12,356	19,074	54.4
GSP imports	-	-	4,878	6,937	13,360	91.8
Special provisions:						
Exports	113,656	98,729	107,761	134,726	148,991	10.6
Imports	32,854	56,871	49,658	62,854	60,198	-4.2
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	41,365	41,143	41,971	42,284	46,745	10.6
Imports	24,753	37,669	61,605	77,545	87,376	12.7
GSP imports	-	-	1,303	1,774	1,072	-39.6
Transportation equipment:						
Exports	468,054	496,124	337,666	506,817	595,813	17.6
Imports	19,602	26,187	31,556	52,160	63,047	20.9
GSP imports	-	-	11,270	28,755	36,499	26.9
Total export value	2,383,270	2,144,460	2,114,884	2,696,500	3,056,519	13.4
Total import value	1,719,900	1,851,045	2,019,701	2,209,587	2,320,439	5.0
Total import GSP value ...	-	-	181,218	356,988	429,392	20.3

See notes at end of table.

Table B-2—Continued
Sudan: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	13,521	23,742	38,162	10,498	15,923	51.7
Imports	11,143	11,468	34,336	21,884	18,274	16.5
GSP imports	-	-	-	-	-	-
Chemicals & related products:						
Exports	386	840	477	841	566	-32.7
Imports	10	31	9	14	70	400.0
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	5,231	6,055	3,015	3,012	10,671	254.3
Imports	2	6	-	6	-	-100.0
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	176	251	355	132	198	50.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	50	138	20	103	156	51.5
Imports	-	13	-	-	13	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	8,754	10,554	6,856	12,315	6,469	-47.5
Imports	7	2	-	-	102	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	496	237	415	1,338	1,628	21.7
Imports	-	5	-	-	-	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	33	16	4	17	1,304	7570.6
Imports	16	49	800	1	15	4900.0
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	1,267	829	890	558	363	-34.9
Imports	179	90	128	533	161	-69.8
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	798	266	55	114	728	538.6
Imports	-	91	1	60	2	-96.7
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	20,894	9,627	4,109	13,887	12,298	-11.4
Imports	-	2	5	-	17	-
GSP imports	-	-	-	-	-	-
Total export value	51,606	52,556	54,357	42,815	50,304	17.5
Total import value	11,357	11,757	35,279	22,497	18,654	-17.1
Total import GSP value ...	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Swaziland: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	335	391	1,786	2,136	10	-99.5
Imports	7,500	6,465	17,342	6,622	8,297	25.3
GSP imports	7,388	6,235	16,868	6,098	7,844	28.6
Chemicals & related products:						
Exports	215	263	268	171	1,282	649.7
Imports	74	80	451	906	1,220	34.7
GSP imports	15	17	354	852	665	-21.9
Electronic products:						
Exports	1,653	337	1,533	461	570	23.6
Imports	287	23	39	49	54	10.2
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	5	6	-	-	-
Imports	-	170	420	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	33	27	-	7	-
Imports	-	305	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	3	22	28	47	29	-38.3
Imports	2,007	1,871	1,476	6,492	3,065	-52.8
GSP imports	21	64	255	92	52	-43.9
Machinery:						
Exports	175	821	1,236	85	230	170.6
Imports	6	127	118	180	116	-35.6
GSP imports	-	1	3	-	5	-
Minerals & metals:						
Exports	32	110	70	-	38	-
Imports	5,061	632	387	251	242	-3.6
GSP imports	1,042	512	131	150	123	-18.0
Miscellaneous manufactures:						
Exports	-	18	29	41	5	-87.8
Imports	561	1,997	1,783	3,818	5,259	37.7
GSP imports	359	1,921	1,782	3,733	5,128	37.4
Special provisions:						
Exports	638	353	139	266	105	-60.5
Imports	139	126	284	169	198	17.2
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	-	8	38	18	24	33.3
Imports	7,295	9,725	15,506	11,733	11,464	-2.3
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	536	23	157	9	13	44.4
Imports	-	24	-	16	-	-100.0
GSP imports	-	-	-	16	-	-100.0
Total export value	3,588	2,385	5,318	3,233	2,314	-28.4
Total import value	22,930	21,544	37,805	30,237	29,916	-1.1
Total import GSP value ...	8,825	8,749	19,393	10,941	13,817	26.3

See notes at end of table.

Table B-2—Continued
Tanzania: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	2,452	4,213	16,722	12,990	4,814	-62.9
Imports	6,457	6,131	4,535	9,360	5,924	-36.7
GSP imports	84	129	80	106	209	97.2
Chemicals & related products:						
Exports	2,115	1,723	1,846	1,637	2,359	44.1
Imports	88	182	147	131	387	195.4
GSP imports	-	-	-	1	1	-70.0
Electronic products:						
Exports	2,762	2,931	4,428	6,157	10,755	74.7
Imports	-	-	-	3	2	-33.3
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	1,178	987	167	540	304	-43.7
Imports	-	193	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	35	135	411	1,805	339.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	629	880	1,062	992	1,135	14.5
Imports	212	321	437	484	565	16.7
GSP imports	44	109	22	121	166	37.2
Machinery:						
Exports	2,775	3,871	3,061	10,657	6,050	-43.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	168	374	168	2,650	641	-75.8
Imports	553	529	2,315	3,051	3,126	2.5
GSP imports	28	176	930	1,691	1,429	-15.5
Miscellaneous manufactures:						
Exports	125	848	429	263	423	60.8
Imports	80	157	253	3,285	2,843	-13.5
GSP imports	1	15	6	3	3	0.0
Special provisions:						
Exports	4,430	2,211	8,284	4,047	2,273	-43.8
Imports	128	162	619	610	563	-7.7
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	7,433	7,345	7,143	5,783	12,616	118.2
Imports	3,435	3,752	6,622	5,495	5,038	-8.3
GSP imports	850	74	-	-	1	-
Transportation equipment:						
Exports	6,709	7,339	5,319	20,019	6,627	-66.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	30,776	32,757	48,766	66,146	49,803	-24.7
Total import value	10,954	11,427	14,928	22,420	18,447	-17.7
Total import GSP value ...	1,008	503	1,038	1,922	1,809	-5.9

See notes at end of table.

Table B-2—Continued
Togo: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	7,740	6,232	2,642	4,167	4,635	11.2
Imports	1,891	1,338	1,539	1,090	1,380	26.6
GSP imports	290	76	56	103	184	78.6
Chemicals & related products:						
Exports	1,166	315	914	2,115	845	-60.0
Imports	-	1	-	628	1,533	144.0
GSP imports	-	1	-	-	-	-
Electronic products:						
Exports	542	723	357	366	3,415	833.1
Imports	21	-	19	-	-	-
GSP imports	-	-	19	-	-	-
Energy related products:						
Exports	-	8	-	16	9	-43.8
Imports	3,318	-	-	25,833	970	-96.2
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	693	77	158	490	1,833	273.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	95	5	83	74	17	-77.0
Imports	15	31	43	3	12	300.0
GSP imports	11	30	43	3	3	0.0
Machinery:						
Exports	606	48	2,111	2,631	1,130	-57.1
Imports	1	72	-	-	-	-
GSP imports	-	72	-	-	-	-
Minerals & metals:						
Exports	142	8	4	23	14	-39.1
Imports	11	6	3	2	-	-100.0
GSP imports	11	5	3	2	-	-100.0
Miscellaneous manufactures:						
Exports	68	47	7	90	107	18.9
Imports	569	256	227	583	66	-88.7
GSP imports	391	31	4	106	3	-97.2
Special provisions:						
Exports	359	564	987	1,987	599	-69.8
Imports	255	15	10	477	131	-72.5
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	3,855	2,011	2,687	4,381	3,491	-20.3
Imports	7	1,672	2,247	709	145	-79.5
GSP imports	4	1	1	1	-	-100.0
Transportation equipment:						
Exports	4,132	2,511	2,471	1,801	3,827	112.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	19,396	12,551	12,422	18,142	19,923	9.8
Total import value	6,088	3,391	4,088	29,325	4,235	-85.6
Total import GSP value ...	707	216	126	215	191	-11.2

See notes at end of table.

Table B-2—Continued
Uganda: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	5,149	8,599	6,897	5,289	3,820	-27.8
Imports	11,659	9,447	34,406	12,441	15,656	25.8
GSP imports	68	4	-	-	-	-
Chemicals & related products:						
Exports	837	1,725	1,323	2,120	2,793	31.7
Imports	40	2	23	104	8	-92.3
GSP imports	-	2	5	77	-	-100.0
Electronic products:						
Exports	2,439	2,775	3,168	5,020	3,903	-22.3
Imports	3	8	-	-	2	-
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	16	20	4	12	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	13	33	140	76	-45.7
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	338	153	843	765	344	-55.0
Imports	9	17	135	25	14	-44.0
GSP imports	-	17	129	22	8	-63.6
Machinery:						
Exports	285	1,108	2,529	2,112	1,990	-5.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	51	792	75	82	102	24.4
Imports	275	423	154	522	48	-90.8
GSP imports	168	195	134	522	-	-100.0
Miscellaneous manufactures:						
Exports	46	18	173	323	299	-7.7
Imports	3	-	6	6	24	300.0
GSP imports	2	-	6	-	5	-
Special provisions:						
Exports	2,271	1,627	1,701	1,506	688	-54.4
Imports	15	4	132	47	139	195.7
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	3,149	3,605	3,167	2,887	1,560	-46.0
Imports .....	.3	-	.9	13	19	46.2
GSP imports	-	-	.9	13	-	-100.0
Transportation equipment:						
Exports	669	260	7,554	1,605	896	-44.2
Imports	-	2	3	-	-	-
GSP imports	-	-	-	-	-	-
Total export value	15,249	20,695	27,467	21,862	16,471	-24.7
Total import value	12,006	9,902	34,858	13,158	15,909	20.9
Total import GSP value ...	278	218	275	633	13	-97.9

See notes at end of table.

Table B-2—Continued
Zaire: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	9,300	10,755	10,491	30,969	24,272	-21.6
Imports	4,962	1,955	1,610	4,176	3,719	-10.9
GSP imports	-	-	5	356	225	-36.8
Chemicals & related products:						
Exports	1,984	2,020	2,251	2,296	3,400	48.1
Imports	678	3,235	11,974	1,203	2,764	129.8
GSP imports	678	617	957	1,108	78	-93.0
Electronic products:						
Exports	2,204	3,111	3,140	7,996	6,233	-22.0
Imports	4	1	33	8	45	462.5
GSP imports	-	-	-	-	22	-
Energy related products:						
Exports	303	226	198	262	269	2.7
Imports	110,328	128,587	105,999	132,432	136,845	3.2
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	236	533	485	732	409	-44.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	241	142	132	216	112	-48.1
Imports	201	372	222	371	953	157.0
GSP imports	55	35	92	50	94	88.9
Machinery:						
Exports	2,527	1,043	2,312	2,480	2,155	-13.1
Imports	4	3,676	-	5	1	-80.0
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	249	986	2,398	4,637	1,993	-57.0
Imports	131,433	101,911	63,687	128,168	115,578	-9.8
GSP imports	5,608	30,020	190	78	64	-17.9
Miscellaneous manufactures:						
Exports	56	53	126	18	203	1027.8
Imports	1,961	867	1,899	859	2,639	207.2
GSP imports	955	421	552	372	165	-55.6
Special provisions:						
Exports	3,015	1,955	2,555	3,005	3,544	17.9
Imports	93	138	858	169	190	12.4
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	7,453	8,149	9,060	14,491	12,170	-16.0
Imports	1	3	7	11	36	227.3
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	4,775	6,170	6,273	9,713	18,463	90.1
Imports	-	-	679	-	-	-
GSP imports	-	-	623	-	-	-
Total export value	32,344	35,145	39,421	76,817	73,223	-4.7
Total import value	249,665	240,746	186,968	267,402	262,770	-1.7
Total import GSP value ...	7,296	31,093	2,419	1,965	650	-66.9

See notes at end of table.

Table B-2—Continued
Zambia: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	43,927	10,678	1,929	2,664	203	-92.4
Imports	322	680	572	401	578	44.1
GSP imports	3	7	72	44	79	81.8
Chemicals & related products:						
Exports	2,503	1,138	816	3,959	2,129	-46.2
Imports	8	2	7	27	641	2274.1
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	2,856	4,202	3,976	8,212	6,323	-23.0
Imports	8	9	-	4	11	63.6
GSP imports	-	-	-	-	-	-
Energy related products:						
Exports	-	2,759	78	21	28	34.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	35	308	273	100	-63.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	267	975	9,341	15,450	6,539	-57.7
Imports	46	33	25	35	48	27.1
GSP imports	28	31	25	15	22	46.7
Machinery:						
Exports	1,447	3,983	3,883	4,178	4,281	2.5
Imports	-	-	-	-	10	-
GSP imports	-	-	-	-	-	-
Minerals & metals:						
Exports	304	726	162	720	1,146	59.2
Imports	69,578	39,482	61,465	32,285	61,250	89.7
GSP imports	13	111	70	190	127	-33.2
Miscellaneous manufactures:						
Exports	51	97	157	108	118	9.3
Imports	48	52	3	35	120	242.9
GSP imports	6	10	1	-	15	-
Special provisions:						
Exports	6,700	5,166	2,450	2,868	5,387	87.8
Imports	231	105	126	105	705	571.4
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	4,292	5,966	5,684	4,295	3,384	-21.1
Imports	255	405	1,279	-	456	-
GSP imports	-	-	1	-	-	-
Transportation equipment:						
Exports	5,217	6,042	3,478	6,030	15,655	159.6
Imports	23	16	-	-	5	-
GSP imports	-	-	-	-	-	-
Total export value	67,566	41,769	32,263	48,777	45,294	-7.1
Total import value	70,519	40,784	63,477	32,893	63,824	94.0
Total import GSP value ...	49	160	168	249	243	-2.4

See notes at end of table.

Table B-2—Continued
Zimbabwe: U.S. exports, imports, and GSP imports, by major commodity sectors, 1992-96
(In thousands of dollars)

Sector	1992	1993	1994	1995	1996	Percent change 1995-96
Agriculture:						
Exports	87,747	25,265	3,288	9,163	555	-93.9
Imports	62,352	79,022	49,594	12,136	39,344	224.2
GSP imports	290	511	18,289	8,012	16,748	109.0
Chemicals & related products:						
Exports	8,680	7,394	6,078	10,719	13,195	23.1
Imports	22	35	161	117	62	-47.0
GSP imports	10	12	91	46	13	-71.7
Electronic products:						
Exports	7,271	7,712	15,494	10,907	11,467	5.1
Imports	33	27	14	42	95	126.2
GSP imports	2	-	-	-	-	-
Energy related products:						
Exports	154	55	62	178	155	-12.9
Imports	-	-	2,058	2,109	-	-100.0
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	103	105	16	-	-100.0
Imports	-	-	178	1	1	300.3
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	480	3,350	847	2,761	1,116	-59.6
Imports	55	537	1,817	2,316	5,426	134.3
GSP imports	54	140	184	150	3,171	2014.0
Machinery:						
Exports	12,708	16,909	20,878	28,851	19,354	-32.9
Imports	207	536	715	692	284	-58.9
GSP imports	207	39	138	140	3	-97.9
Minerals & metals:						
Exports	664	541	1,435	860	1,070	24.4
Imports	58,742	38,100	28,943	50,254	62,344	24.0
GSP imports	13,517	24,766	12,419	30,709	45,820	49.2
Miscellaneous manufactures:						
Exports	967	484	632	810	551	-32.0
Imports	2,182	10,384	9,798	13,244	8,108	-38.8
GSP imports	1,662	9,794	9,061	12,542	6,764	-46.1
Special provisions:						
Exports	4,859	3,766	2,228	2,902	2,428	-16.3
Imports	660	635	876	901	2,408	167.3
GSP imports	-	-	-	-	-	-
Textile and apparel:						
Exports	1,142	577	1,360	1,194	2,769	131.9
Imports	5,931	12,961	11,302	14,214	5,518	-61.2
GSP imports	-	2	13	1	15	1096.6
Transportation equipment:						
Exports	17,500	16,906	39,822	51,815	36,343	-29.8
Imports	10	66	574	664	399	-40.0
GSP imports	-	-	-	23	-	-100.0
Total export value	142,173	83,063	92,229	120,175	89,003	-25.9
Total import value	130,193	142,301	106,028	96,688	123,988	28.2
Total import GSP value ...	15,738	35,263	40,195	51,624	72,535	40.5

¹ Less than five hundred dollars.

Note.—Because of rounding, figures may not add to total shown.

Source: Compiled from official statistics of the U.S. Department of Commerce.

APPENDIX C
Côte d'Ivoire and Ghana

Côte d'Ivoire

Côte d'Ivoire (Ivory Coast) gained independence from France in 1960, and today ranks as the largest economy in francophone West Africa. The government is a multiparty presidential regime; former President Félix Houphouët-Boigny, who died in office after continuous service since 1960, was succeeded in 1995 by the democratically elected current President Henri Konan Bédié.¹ The economy of Côte d'Ivoire grew by 6.5 percent in 1996 following 7.0-percent growth in 1995, with inflation declining from 7.7 percent in 1995 to 5.0 percent in 1996; these trends, along with a balanced budget and improving balance of payments position, have continued into 1997.² This strong performance places Côte d'Ivoire among the fastest growing economies of Sub-Saharan Africa.

Economic Overview

Côte d'Ivoire is among the world's largest producers and exporters of coffee, cocoa beans, and palm-kernel oil. Consequently, the economy is highly sensitive to fluctuations in international prices for coffee and cocoa (the Ivorian Government guarantees prices for domestic sellers) and to weather conditions that affect crop growth. Despite attempts by the Ivorian government to diversify, the economy is still largely dependent on agriculture and related industries; the agricultural sector accounts for over one-third of Côte d'Ivoire's gross domestic product (GDP), provides two-thirds of its export revenues, and employs over 60 percent of the Ivorian labor force. After several years of lagging performance, the Ivorian economy began a comeback in 1994, due to improved prices for cocoa and coffee, growth in nontraditional primary exports such as pineapples and rubber, trade and banking liberalization, offshore oil and gas discoveries, and generous external financing and debt rescheduling by multilateral lenders and France—the primary donor of bilateral aid.³

¹ *CIA Factbook: Côte d'Ivoire*, found at the CIA Website, <http://www.odci.gov/cia/publications/nsolo/factbook/iv.htm>, hereafter cited as *CIA Factbook: Côte d'Ivoire*.

² *Country Commercial Guide for Côte d'Ivoire* and IMF, *World Economic Outlook 1997*, table 6, p. 30.

³ *CIA Factbook: Côte d'Ivoire, Country Commercial Guide for Côte d'Ivoire*, and WTO, *Trade Policy Review of Côte d'Ivoire*, PRESS/TPRB/8, June 27, 1995, found at WTO Website, http://www.wto.org/wto/Trade_Reviews/6_9_0_wpf.html.

Côte d'Ivoire in Brief

Population	14 million, including 100,000–300,000 Lebanese and 30,000 French Growth rate: 2.92 percent (1996) Literacy rate: 40.1 percent (for individuals age 15 and over); 48 percent between 0–14 years old
Economy	GDP: \$21.1 billion (1995) ¹ \$1,500 per capita (1995) GDP growth: 6.5 percent (1996)
Geography	West Africa; borders the North Atlantic Ocean, between Ghana and Liberia Land area: 318,000 sq km, slightly larger than New Mexico

¹ GDP calculated using purchasing power parity currency values.

Sources: *CIA Factbook: Côte d'Ivoire* and IMF, *World Economic Outlook, 1997*, table 6, p. 30.

Most important to the recent turnaround of the economy of Côte d'Ivoire was the 1994 currency devaluation of the CFA franc⁴ from 50 to 100 CFA francs per French franc. Accompanying the devaluation, a rigorous program of macroeconomic reform and structural adjustment implemented under the direction of the IMF and the World Bank opened the way for substantial new concessional credits from those institutions. Despite critical public opinion views about IMF and World Bank programs, which require some economic austerity measures, banking sector representatives interviewed in Abidjan stated that such programs are vital to the current positive investment climate and to the real growth of the middle class in Côte d'Ivoire.⁵ Indeed, an IMF report recently praised Côte d'Ivoire and other CFA zone countries for “continued recovery following the adjustment to a more realistic exchange rate since 1994 and the adoption of appropriate reforms.”⁶ Financial assistance from bilateral donors, especially France, also plays an important role in supporting Côte d'Ivoire's comprehensive economic adjustment strategy.⁷

⁴ The CFA franc zone is discussed in more detail above in Chapter 2, “Trade and Economic Integration,” pp. 2–32.

⁵ USITC staff interview with private sector banking official, Abidjan, Côte d'Ivoire, June 6, 1997.

⁶ IMF, *World Economic Outlook*, p. 13.

⁷ WTO, *Trade Policy Review: Côte d'Ivoire*.

France is the single largest trading partner of Côte d'Ivoire, consuming 18 percent of Ivorian worldwide exports and supplying 32 percent of Ivorian imports. The United States consumes less than 6 percent of Ivorian exports, and supplies 6 percent of Ivorian imports.⁸ Most Ivorian products receive preferential duty-free and quota-free (or guaranteed quotas in the case of sugar and special access for bananas) in the EU market under the Lomé Convention. Investment in Côte d'Ivoire, which is open and allowed in all sectors, still largely originates in Europe (especially Paris). By tradition, Paris-based trading companies are used in international trade arrangements; however, individuals interviewed remarked that such Europe-biased relations increasingly stand to shift to favor the United States as a growing number of U.S.-educated Ivorians enter the business world.⁹

Bilateral relations with the United States

In 1996, Côte d'Ivoire was the sixth largest market for U.S. exports in Sub-Saharan Africa after South Africa, Nigeria, Ghana, Angola, and Ethiopia; Côte d'Ivoire was the fifth-leading Sub-Saharan African supplier of imports to the U.S. market after Nigeria, Angola, South Africa, and Gabon. The United States has continuously run a trade balance deficit with Côte d'Ivoire; in 1995-96 that trade deficit increased from \$41.8 million to \$263.3 million due primarily to higher U.S. energy and agricultural imports (appendix B). Côte d'Ivoire is eligible for investment insurance by the U.S. Overseas Private Investment Corporation (OPIC), but the United States has neither investment nor tax treaties with Côte d'Ivoire.¹⁰

Impact of the Uruguay Round

In the Uruguay Round, Côte d'Ivoire bound its tariffs for most agricultural products at a ceiling rate of 15 percent with the exception of a few products bound at maximum rates of 75 percent in 1995, scheduled to decline to a maximum of 64 percent by 2004; nine industrial products were bound at rates ranging from 5 to 15 percent.¹¹ Some Ivorian officials have expressed the concern that the country's Uruguay Round tariff commitments for a few products, namely sugar and jute, are now too low; other individuals interviewed cited the relatively low global competitiveness of Ivorian products as the

⁸ Economists Intelligence Unit, *1st Quarter 1997, Country Report, Côte d'Ivoire and Mali*.

⁹ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 3, 1997.

¹⁰ U.S. Department of State telegram, "Investment Climate: Côte d'Ivoire," message reference No. 06870, prepared by U.S. Embassy, Abidjan, June 13, 1997.

¹¹ WTO, *Trade Policy Review: Côte d'Ivoire*.

problem.¹² Côte d'Ivoire made an Uruguay Round offer under the General Agreement on Trade in Services concerning certain professional services and other business services, certain construction and engineering services, certain tourism-related services, and a few transport services.¹³ One individual stated that, because of the focus on basic commodities, the Uruguay Round had only a marginal impact on Côte d'Ivoire; instead, macroeconomic reforms implemented with the assistance of the IMF and World Bank were of more immediate relevance.¹⁴ However, there was general concern about the effects of the Uruguay Round tariff reductions on the erosion of Lomé Convention and GSP trade preferences. One recent study estimated that if Sub-Saharan Africa's trade preferences were fully eroded (i.e., if MFN tariffs were reduced to the level of Lomé Convention and GSP tariff preferences), then Côte d'Ivoire stands to lose some \$57 million in export earnings.¹⁵

Development strategy

The Ivorian Government has launched a development strategy that strives to make Côte d'Ivoire — the equivalent of an Asian Tiger within the next 50 years. The four "feet" of the African Elephant economic development strategy are areas which already show promise in Côte d'Ivoire and which will receive the government's greatest attention. They are:

- Agriculture, with the goals of agricultural sufficiency and product diversification (including rubber trees, fruit, vegetables, and new varieties and nontraditional crops such as rice);
- Mines, energy, and industry to emphasize gold, petroleum, gas, and nickel production;
- Services, including the expansion of tourism (plans are to create a Tourism Ministry¹⁶), banking, and financial services; and
- And exports, particularly export diversification.¹⁷

¹² USITC staff interview with public sector official, Abidjan, Côte d'Ivoire, June 4, 1997.

¹³ WTO, *Trade Policy Review: Côte d'Ivoire*.

¹⁴ USITC staff interview with banking official, Abidjan, Côte d'Ivoire, June 6, 1997.

¹⁵ Amjadi, Reincke, and Yeats, "Did External Barriers Cause the Marginalization of Sub-Saharan Africa in World Trade?" p. 24.

¹⁶ USITC staff interview with public sector official in Abidjan, Côte d'Ivoire, June 3, 1997.

¹⁷ USITC staff interview with private sector banking official in Abidjan, Côte d'Ivoire, June 3, 1997.

Despite this ambitious plan, several individuals interviewed found fault with a lack of long-term vision and planning in the Ivorian Government necessary to support current entrepreneurs and the absence of a culture of export awareness, especially to markets other than Europe.¹⁸

Business Climate

All sources contacted during the course of this investigation reported that the overall business climate in Côte d'Ivoire is excellent. Côte d'Ivoire actively encourages foreign investment. Modifications made to the foreign investment code in 1995 provide fiscal incentives for both large and small investors and establish an investment promotion and one-stop-shop center for foreign investors (the French acronym for that center is CEPICI).¹⁹ Côte d'Ivoire has a history of political stability unparalleled in Sub-Saharan Africa, and the large French presence, on balance, was viewed as a positive contribution to that stability. A few individuals expressed the concern that the strong economic, trade, and cultural ties with France effectively limit opportunities for non-French-speaking businesses and make it difficult for new, non-francophone investors to penetrate the Ivorian market.²⁰ Indeed, investments from outside the CFA franc zone must be approved by the Ivorian Government—although the U.S. Embassy in Abidjan reports that this is essentially a routine procedure to monitor foreign exchange transactions.²¹

By developing country standards, the physical infrastructure in Côte d'Ivoire is “outstanding.”²² Ongoing improvements are being made to the ports and the rail network, and competition is being introduced into the telecommunications sector, with cellular, e-mail, and Internet access providers now in-country and plans to privatize the local land-line provider.²³ In all, 37 public Ivorian enterprises have been privatized (with the majority of the sales going to French investors) in a program that envisions privatization of 60 companies; an additional 50 enterprises have not been scheduled to be privatized.²⁴

¹⁸ USITC staff interview with public sector officials in Abidjan, Côte d'Ivoire, June 4, 1997.

¹⁹ U.S. Department of State telegram, “Investment Climate Statement: Côte d'Ivoire,” message reference No. 06870, prepared by U.S. Embassy, Abidjan, June 13, 1997.

²⁰ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 3-6, 1997.

²¹ U.S. Department of State telegram, “Investment Climate Statement: Côte d'Ivoire,” message reference No. 06870, prepared by U.S. Embassy, Abidjan, June 13, 1997.

²² *Country Commercial Guide for Côte d'Ivoire*.

²³ *Ibid.*

²⁴ *Ibid.*

Factor costs

Problems were reported with respect to high factor costs in Côte d'Ivoire—especially high taxes and the high cost of public utilities. Salaries also were reported to be high owing to a tradition of French-style generous worker benefits;²⁵ in general, individuals interviewed stated that high labor costs made factor costs higher in CFA franc zone countries than in other West African countries. One individual reported that a shortage of investment banks makes credit scarce (especially short-term credit for less than 2 years) and Ivorian interest rates high.²⁶ Freight charges from Côte d'Ivoire were reported to be very high, especially for cargo shipped to the United States versus cargo shipped to Europe, due largely to the lack of competition among oceangoing and air freight carriers.²⁷ One individual stated that shipping costs could be reduced if cargo containers were used to ship products from Europe to Côte d'Ivoire on the return voyage; instead, containers are shipped back from Europe empty.²⁸ The complaint was also made that shipments from Côte d'Ivoire to Europe first enter through the port of Marseille, France; costs could be reduced if shipments could be made directly to the consuming country.²⁹ Corruption (discussed in more detail below) also was mentioned as another factor adding to overall factor costs. One individual reported that high factor costs explain why Abidjan tends to be more of a regional trading center than a center for industrial production.³⁰ The 1994 devaluation of the CFA franc helped improve the competitiveness of Côte d'Ivoire, and the Ivorian Government has pledged to further curb electricity and energy costs.³¹ Another individual remarked that, despite the high factor costs, the relatively large market size of Côte d'Ivoire enables businesses to achieve economies of scale that are not achievable in neighboring countries even though those countries may have lower factor costs.³²

While not cited as problematic, foreign exchange controls apply to U.S. dollar-denominated investments and transactions in Côte d'Ivoire. U.S. dollars must be converted into CFA francs and may not be held in the local economy. Investments originating outside the CFA franc zone, and

²⁵ USITC staff interview with U.S. Embassy officials, Abidjan, Côte d'Ivoire, June 3, 1997.

²⁶ USITC staff interview with private sector banking official in Abidjan, Côte d'Ivoire, June 6, 1997.

²⁷ USITC staff interview with public and private sector officials in Abidjan, Côte d'Ivoire, June 3-6, 1997.

²⁸ USITC staff interview with private sector official in Abidjan, Côte d'Ivoire, June 6, 1997.

²⁹ *Ibid.*

³⁰ USITC staff interview with private sector banking official in Abidjan, Côte d'Ivoire, June 6, 1997.

³¹ Centre de Promotion des Investissements en Côte d'Ivoire (CEPICI), *Factor Costs*, brochure.

³² USITC staff interview with private sector official in Abidjan, Côte d'Ivoire, June 3, 1997.

remittances outside the CFA zone, must receive prior approval, which is routinely granted³³ but may take 2–3 weeks.³⁴

Legal system

Several individuals interviewed cited ongoing problems with the Ivorian legal system. The judicial system generally was described as lacking transparency and subject to corruption,³⁵ although ongoing programs sponsored by the IMF and the World Bank are meant to address these problems.³⁶ Specifically mentioned were problems in the areas of dispute resolution, disputed contracts, land title, contract law, and taxation.³⁷ According to the U.S.

Embassy in Abidjan, corruption is reported to exist in all branches of government; for example, marketing of the country's key export crops is dominated by private companies owned by politically-connected individuals.³⁸ Another problem cited was that Ivorian judges are not business law specialists, so that the application of laws is uneven; this was a particular problem in tax administration and the customs service.³⁹ An inter-ministerial committee now operates to encourage ministries to coordinate their efforts and to promote enhanced cooperation with the private sector. The newly created Organization des Droits et Affaires d'Afrique

(Organization of African Law and Business) has been established to harmonize business laws across 26 African countries.⁴⁰

Frequently cited were land title problems. These problems involve ongoing complications from the clash between the traditional property rights of a village or ethnic group, and modern property rights;⁴¹ CEPICI was established in part to help resolve such conflicts.⁴² Another land-related problem cited was the need for better management of Ivorian industrial zones. Largely because of poor economic infrastructure outside of Abidjan, businesses seek to locate in industrial zones near the city; the problem arises because industrial zoned land often lies unused even when there are new investors with ready projects queued for industrial zoned property.⁴³ Changes made to the investment code in 1995 provide tax incentives for investments made outside of Abidjan.⁴⁴

Despite these problems, all of the individuals interviewed provided an upbeat view of the business climate in Côte d'Ivoire. Notwithstanding high factor costs, profit margins in Côte d'Ivoire were reported to be good. Moreover, relatively underdeveloped Ivorian markets provide prospective businesses ample room to expand consumer choices and to develop consumer preferences. The relatively large Ivorian market size and buying power, which would be helped by sub-regional integration, creates a long-term need for new goods and services.⁴⁵

³³ *Country Commercial Guide for Côte d'Ivoire*.

³⁴ USITC staff interview with banking sector official in Abidjan, Côte d'Ivoire, June 6, 1997.

³⁵ For more detailed information about the nature and scope of corruption in Côte d'Ivoire as it relates to contract awards, the judiciary, and customs, see *Country Commercial Guide for Côte d'Ivoire*.

³⁶ U.S. Department of State telegram, "Investment Climate Statement: Côte d'Ivoire," message reference No. 06870, prepared by U.S. Embassy Abidjan, June 13, 1997.

³⁷ USITC staff interview with private sector banking official in Abidjan, Côte d'Ivoire, June 6, 1997.

³⁸ U.S. Department of State telegram, "Investment Climate Statement: Côte d'Ivoire," message reference No. 06870, prepared by U.S. Embassy Abidjan, June 13, 1997.

³⁹ USITC staff interview with public sector Ivorian official in Abidjan, Côte d'Ivoire, June 4, 1997.

⁴⁰ Ibid.

⁴¹ *Country Commercial Guide for Côte d'Ivoire*.

⁴² USITC staff interview with public sector Ivorian official in Abidjan, Côte d'Ivoire, June 4, 1997.

⁴³ Ibid.

⁴⁴ U.S. Department of State telegram, "Investment Climate Statement: Côte d'Ivoire," message reference No. 06870, prepared by U.S. Embassy, Abidjan, June 13, 1997.

⁴⁵ USITC staff interview with private sector banking official in Abidjan, Côte d'Ivoire, June 6, 1997.

Ghana

Ghana (formerly the Gold Coast) gained its independence from Great Britain in March 1957, the first British dependency in Sub-Saharan Africa to do so under majority rule. Between 1957 and 1983, the government changed nine times, four times by military coup. President Jerry Rawlings headed a provisional regime from the end of 1981 until 1992 when elections were held and democratic government under a written constitution was restored. Mr. Rawlings won the 1992 Presidential election by a comfortable margin and went on to be re-elected in December 1996 for a second 4-year term. In the 1996 elections, President Rawlings won almost 60 percent of the popular vote and a clear mandate to continue the economic reform program his administration began in 1983.⁴⁶ In spite of the volatile nature of Ghana's political history, it has escaped the violence prevalent in many other countries in the region. Ghana's stability is seen as an important asset to foreign investors, particularly in comparison to the recent civil unrest troubling some of its neighbors. Real GDP in Ghana grew 5.0 percent in 1996, up from 4.5 percent in 1995, due largely to increased gold, timber, and cocoa production.

Economic Overview

Ghana's economy is based largely on subsistence agriculture—it accounts for almost 40–45 percent of GDP and employs about 55 percent of the labor force—but the sector is in urgent need of improvements in such areas as irrigation and the provision of fertilizer and pesticides.⁴⁷ Cocoa production is the dominant agricultural activity; Ghana is among the world's largest growers and exporters of cocoa. Ghana also has a broad range of natural resources including arable land; forests; large deposits of gold, diamonds, bauxite, manganese; and a considerable potential for hydroelectric power.

After agriculture, the service sector (led by wholesale and retail trade) is the second-largest employer—over 25 percent of the labor force—and accounts for about 45 percent of GDP. The industrial sector accounts for about 14 percent of GDP and, compared to other Sub-Saharan African countries is relatively diverse and well developed. Growth in this sector is constrained, however, by high interest rates and the country's small and relatively poor internal market. The mining sector is experiencing relatively

⁴⁶ Economist Intelligence Unit, *Business Africa*, Jan. 1-15, 1997, p. 4.

⁴⁷ USITC staff interviews with U.S. Embassy officials, Accra, Ghana, June 9, 1997.

Ghana in Brief

Population:	18 million
	Growth rate: 2.29 percent (1996)
	Literacy rate: 64.5 percent (for individuals age 15 and over); 43 percent between 0–14 years old
Economy	GDP: \$25.1 billion (1995) ¹ \$1,400 per capita (1995)
	GDP growth: 5.0 percent (1996)
Geography	West Africa; borders the North Atlantic Ocean, between Burkina Faso, Côte d'Ivoire, and Togo

¹ GDP calculated using purchasing power parity currency values.

Source: *CIA Factbook: Ghana*, and IMF, *World Economic Outlook, 1997*, table 6, p. 30.

high and significant growth, but this sector does not employ significant numbers, and it relies on imported equipment, thereby doing little to promote development of the local economy.

At independence, Ghana was one of the strongest economies in Africa and possessed a substantial physical and social infrastructure. Over the ensuing 25 years, however, the economy declined significantly as a result of poor policy choices and deteriorating external terms of trade. In 1983, with the close collaboration of the World Bank and the International Monetary Fund, the Rawlings administration introduced a stringent economic reform agenda aimed at reopening infrastructural bottlenecks and reviving the stagnating agriculture, mining, and timber sectors. The largely distorted exchange rate and prices were realigned to encourage production and exports. Increased fiscal and monetary discipline was imposed to curb inflation. At the same time, government involvement in the economy was reduced and private sector development encouraged.⁴⁸ This period (1983–86) was the first stage of Ghana's Economic Recovery Program (ERP) and it is credited with helping to restore macroeconomic stability by imposing fiscal discipline, restraining credit expansion, and introducing a more realistic exchange rate regime. Improved tax collections ended a decade of declining revenues and by 1986, the

⁴⁸ Europa Publications, *Africa: South of the Sahara, 1997*, p. 449.

government's accounts showed a surplus for the first time in many years.⁴⁹ In addition, the trade regime was liberalized by abolishing import licensing requirements and by devaluation of the cedi.

The second stage of the ERP (1987–92) is regarded as the structural adjustment and development stage of the economy's recovery. From 1987–88, the government sector was reduced and new investment codes were introduced for mining and other sectors. Later, broader institutional and structural reforms were introduced, including the removal of foreign exchange controls. The establishment of an interbank foreign exchange market greatly expanded access to foreign exchange. Almost all local production subsidies were eliminated, a development viewed as an indication of the government's intention to move toward a market-oriented economy. In 1989, the Ghana Stock Exchange was incorporated. Most analysts tend to agree that, between 1986 and 1991, Ghana's adherence to its economic reform roadmap was relatively exemplary. In election year 1992, however, political pressures resulted in a relaxation of fiscal austerity; public sector spending rose, resulting in an increased fiscal deficit. Large public wage increases were awarded to maintain a stable political atmosphere during preparations for the elections, contributing to the deficit. However, privatizations, begun in earnest in 1991, continued steadily. By year-end 1995, about 195 divestitures were completed or being processed, resulting in a downsizing of the public sector workforce by about 45,000 jobs. A value-added tax was introduced in 1995, but widespread public disapproval led to its quick abandonment.⁵⁰

In 1996, another election year, government spending focused on infrastructure projects such as roads and the electric power grid. By mid-1996, the government was showing another large deficit requiring continued high levels of domestic borrowing from the banking system and public.⁵¹ The Bank of Ghana is currently pursuing a high interest rate policy in an attempt to absorb excess liquidity and contain inflationary pressures. Inflation is particularly troublesome in Ghana; by year-end 1995 it measured about 70 percent. By year-end 1996, the inflation rate had decreased slightly but remained high at about 50 percent.

The Government has shown strong support for free trade. However, policies also show a commitment to the development of competitive domestic industries with export potential and the

⁴⁹ EIU, *Country Profile, Ghana*, 1996-97, pp. 11-12.

⁵⁰ USITC interviews with officials in Accra, Ghana, June 1997.

⁵¹ U.S. Department of State, "Ghana's 1887 Trade Act Report," prepared by U.S.S. Embassy, message reference No., 007443, Nov. 20, 1996.

government is expected to support those industries with financial incentives.⁵² Some Ghanaian businesspeople have voiced concerns that they need stronger protective measures and have complained that Ghana's local tariff structure places domestic producers at a competitive disadvantage relative to imports from countries enjoying greater production and marketing economies of scale.⁵³ Reductions in tariffs have increased competition for local producers and manufacturers while reducing the costs of imported raw materials.

Bilateral relations with the United States

In 1996, Ghana was the ninth largest Sub-Saharan supplier of imports to the United States after Nigeria, Angola, South Africa, Gabon, Côte d'Ivoire, Congo, Zaire, and Mauritius. It was the third largest purchaser of U.S. goods after South Africa and Nigeria. In 1996, the United States had a trade balance surplus with Ghana, following deficits in both 1994 and 1995. Ghana's largest trading traditional partner is the United Kingdom, followed by Nigeria and the United States. Trade and investment ties with South Africa are growing. In the past 5 years, the U.S. share of Ghana's imports has increased, and that trend is expected to continue.

In 1996, the Association of American Businesses in Ghana voted to create a branch of the American Chamber of Commerce (AMCHAM) to help boost trade and investment opportunities between Ghanaian businesses and U.S. companies. The Ghana branch of AMCHAM is only the fifth in Africa, after Côte d'Ivoire, South Africa, Kenya, and Egypt.

In June 1997, USAID sponsored a policy conference on Ghana held in Chapel Hill, North Carolina and hosted by Senator Jesse Helms. The purpose of the conference was to help Ghana officials build a stronger public/private sector partnership for consensus building in making tough policy choices. Conference sponsors generally agreed that government agencies were the culprits in creating roadblocks to investment and that regulating agencies needed to talk to each other and to the private sector.⁵⁴ The U.S. Ambassador to Ghana, the Vice President of Ghana, and 75 other participants from the Ghana public and private sectors and the U.S. government and U.S. private sector attended.

Business Climate

According to persons interviewed in Ghana during the USITC's June 1997 trip to the region, significant

⁵² Ibid.

⁵³ Ibid., and USITC interviews with business representatives in Accra, June 1997.

⁵⁴ USITC interviews with officials in Accra, Ghana, June, 1997.

liberalization has occurred and the country has a very favorable business climate. Politically, the country is stable, a free press operates, a new investment code is very business-friendly, and the economy has grown steadily. Nevertheless, major difficulties to business are presented by Ghana's inadequate infrastructure, particularly unreliable telecommunications, inconsistent power generation, and poor roads that are a choke point to the economy.

Inflation is also a major problem in Ghana. In 1995, the inflation rate was over 70 percent. Since then, the rate has dropped, owing to lower food prices as a result of adequate rain and good harvests. By the end of 1996, the rate had dropped to about 50 percent.⁵⁵ Interest rates are also very high; up to about 40–50 percent in 1997, making it nearly impossible to borrow money. Other impediments to increased U.S. trade and investment with Ghana include: (1) lack of U.S. interest due to the relatively small market; (2) higher freight rates and transit time to the U.S. than to Europe; (3) inadequate credit facilities for local importers; (4) inadequate business infrastructure, particularly in telecommunications and roads; (5) inadequacies in the legal infrastructure; (6) difficulties in getting clear title to land, particularly in traditional areas; (7) bureaucratic bottlenecks, and (8) obsolete capital equipment inadequately maintained.⁵⁶

The Ghana Investment Promotion Center Act of 1994 created a liberal foreign investment regulatory regime. Screening of investment projects has been eliminated and prerequisites for establishing a business are few.⁵⁷ The only categories closed to

⁵⁵ Ibid.

⁵⁶ *Country Commercial Guide for Ghana*, and USITC staff interviews in Accra, Ghana, June 1997.

⁵⁷ The minimum required equity for foreign investors is \$10,000 (joint ventures) or \$50,000 (wholly foreign-owned). Trading companies either wholly or partly foreign-owned require minimum foreign equity of \$300,000 and must employ at least 10 Ghanians.

foreign investment are: small trading and hawking; taxi and car rental services; lotteries and betting establishments; beauty salons and barber shops.

Privatization of state-owned enterprises is a major objective of the Ghanaian government and it has already divested itself of over half of the 300 enterprises owned by the state. Privatization provides opportunities for foreign investors to enter the Ghanaian market by taking over existing companies. Among the enterprises still to be sold are cocoa and coffee plantations, poultry farms, hotels, and timber companies. While gold mining continues to be the focus of growth in the industrial sector, Ghana's inadequate infrastructure offers substantial opportunities for U.S. investment. Telecommunications and roads, in particular, are sectors in need of building.

Regionalization

The borders between African countries tend to be very porous, so domestic markets are larger than they seem. Ghana, along with 14 other West African countries, is a member of the Economic Community of West African States (ECOWAS) regional grouping.⁵⁸ The primary objective of ECOWAS is establishment of a customs union and a common market in order to promote the free movement of people and goods within West Africa. Ghana has taken steps to adjust its tariff structures in line with the ECOWAS trade liberalization program. However, progress toward integration in ECOWAS has been slow; trade among the members is estimated at about 6 percent of their total trade.⁵⁹ Some experts in Ghana offered the view that because Ghana is surrounded by francophone countries, the linguistic and cultural differences create significant barriers to greater progress toward regionalization.

⁵⁸ ECOWAS members are Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

⁵⁹ USITC staff interviews with government officials in Accra, Ghana, June 1997.