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.-AFRICA TRADE FLOWS AND EFFECTS OF THE URUGUAY ROUND AGREEMENTS AND U.S. TRADE AND DEVELOPMENT POLICY

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GLOSSARY OF ABBREVIATIONS

ACP	African, Caribbean and Pacific
ADF	African Development Foundation
AEC	African Economic Community
AFDB	African Development Bank
AFDF	African Development Fund
APHIS	Animal and Plant Health Inspection Service
AVE	Ad Valorem Equivalent
BCEAO	Central Bank of the West African States
BEAC	Bank of Central African States
CCA	Corporate Council on Africa
CCC	Commodity Credit Corporation
CEEAC	Economic Community of Central African States
CEMAC	Central African Customs and Economic Union
CEPGL	Economic Community of the Great Lakes Countries
CFAF	CFA Franc
CFD	Caisse Francaise de Development
CGE	Computable General Equilibrium
CMA	Common Monetary Area
COAP and SOAP	Cottonseed Oil and Sunflower Oil Assistance Programs
COMESA	Common Market for Eastern and Southern Africa
Commission	U.S. International Trade Commission
CSP	Country Studies Program
DA	Development Assistance
DEIP	Dairy Export Incentive Program
DFA	Development Fund for Africa
DOD	U.S. Department of Defense
DOE	U.S. Department of Energy
DOT	U.S. Department of Transportation
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EEP	Export Enhancement Program
EIB	European Investment Bank
EPA	Environmental Protection Agency
EPRD	European Program for Reconstruction and Development
ESAF	Enhanced Structural Adjustment Facility
ESAP	Economic Structural Adjustment Program
ESF	Economic Support Fund
EU	European Union
Eximbank	Export-Import Bank of the United States
FAA	Federal Aviation Administration
FAO	Food and Agriculture Organization
FHWA	Federal Highway Administration
FMD	Foreign Market Development
FMF	Foreign Military Financing
FRA	Federal Railroad Administration
FS	Forest Service
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product

GLOSSARY OF ABBREVIATIONS--Continued

GEF	Global Environment Facility
GNP	Gross National Product
GSP	Generalized System of Preferences
HG	Housing Guaranty
HHS	U.S. Department of Health and Human Services
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IMET	International Military Education and Training
IMF	International Monetary Fund
IOC	Indian Ocean Commission
LPG	Loan Portfolio Guaranty
MFA	Multi Fibre Arrangement
MPP	Market Promotion Program
MRU	Mano River Union
MSED	Micro and Small Enterprise Development Program
NIST	National Institute of Standards and Technology
NOAA	National Oceanic and Atmospheric Administration
NRC	Nuclear Regulatory Commission
OAU	Organization of African Unity
OECD	Organization for Economic Cooperation and Development
OPIC	Overseas Private Investment Corporation
PVO	Private Voluntary Organization
RDP	Reconstruction and Development Program
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SAEDF	Southern Africa Enterprise Development Fund
SAF	Structural Adjustment Facility
SAP	Structural Adjustment Program
STABEX	Stabilization of Export Earnings
SYSMIN	Special Financing Facility for Mining Products
TDA	Trade and Development Agency
TRIMs	Trade-related Investment Measures
TRIPS	Trade-related Aspects of Intellectual Property
UDEAC	Customs and Economic Union of Central Africa
UEMOA	West African Economic and Monetary Union
UR	Uruguay Round
UNCTAD	United Nations Conference on Trade and Development
URAA	Uruguay Round Agreements Act
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 (name of the office)
WFP	World Food Program
WHO	World Health Organization
WTO	World Trade Organization

EXECUTIVE SUMMARY

Background

On March 31, 1995, the United States International Trade Commission (Commission) received a letter from the U.S. Trade Representative (USTR) requesting that the Commission conduct an investigation under section 332(g) of the Tariff Act of 1930 on U.S.-Africa trade flows and on the effects of the Uruguay Round Agreements and of U.S. trade and development policy on such flows. Specifically, the USTR letter requested that the Commission prepare a report on U.S.-Africa trade flows containing the following information:

(1) A profile of the structure of U.S.-Africa trade flows over the 1990-94 period for the following major sectors: agriculture, forest products, textiles and apparel, energy, chemicals, minerals and metals, machinery and equipment, electronics technology, miscellaneous manufactures, and services;

(2) A summary of U.S. Government trade and development programs (e.g., investments, trade finance, trade facilitation, trade promotion, foreign development assistance, etc.) in Africa, including dollar amounts on an annual basis, during the 1990-94 period;

(3) A summary of literature and private sector views relevant to assessing the impact of the Uruguay Round Agreements on developing countries and Africa, in particular; and

(4) An assessment of any effects of the Uruguay Round Agreements, and of U.S. trade and development policy for Africa on U.S.-Africa trade flows.[1]

The USTR also asked the Commission to provide in its report, to the extent practicable, any readily available information on the role of regional integration in Africa's trade and development and on Africa's progress in implementing economic reforms. The USTR requested that the Commission focus on 48 Sub-Saharan African countries.[2] However, the USTR requested that, to the extent possible, more detailed information be provided for 15 of these countries--Côte d'Ivoire, Gabon, Ghana,

[1] The information and analysis provided in this report are for the purpose of this report only. Nothing in this report should be construed to indicate how the Commission would find in an investigation conducted under statutory authority covering the same or similar subject matter.

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

Uganda, and the member countries of the Southern African Development Community (SADC)--Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia, Zimbabwe, and South Africa.[3]

Study Overview and Findings

Macroeconomic Background

- The 48 Sub-Saharan African countries covered in this report represent a diverse set of countries that range in population from 72,000 people in the Seychelles to 105 million people in Nigeria. Thirty-five of the countries covered in this report are classified by the World Bank as low income (1993 GNP per capita of $695 or less), 9 countries as lower middle income (1993 GNP per capita of $696 to $2,785), and 4 as upper middle income (1993 GNP per capita of $2,786 to $8,625).
- The economies of many of these countries depend heavily on agriculture, forest products, minerals, metals, and energy products for generating export earnings and income. Whereas some Sub-Saharan African countries depend on nonfuel primary products, others, such as Nigeria, Angola, Gabon, and the Congo, depend on exports of petroleum products. Diversified exporters in Sub-Saharan Africa include Cameroon, Central African Republic, Comoros, Kenya, Mauritius, Mozambique, Senegal, Sierra Leone, and South Africa.

U.S.-Sub-Saharan Africa Trade

- The 48 countries covered in this report accounted for less than 1 percent of U.S. commodity exports and approximately 2 percent of U.S. commodity imports in 1994. Japan is Sub-Saharan Africa's largest single import supplier and is also an important market for Sub-Saharan Africa's exports. The United States, however, is the region's leading single export market and its fifth largest import supplier. The European Union (EU) is Sub-Saharan Africa's largest trading partner, accounting for 39 percent of Sub-Saharan Africa's imports and 35 percent of its exports in 1994.
- U.S. merchandise exports to Sub -Saharan Africa amounted to $4.3 billion in 1994, with U.S. imports amounting to $12.1 billion. The U.S. merchandise trade deficit with Sub-Saharan Africa was $7.7 billion in 1994, with imports of energy-related products (mainly crude oil) largely responsible for the merchandise trade deficit with the region.
- The major U.S. merchandise export markets in Sub-Saharan Africa are South Africa and Nigeria. These countries together accounted for 60 percent of U.S. exports to the region in 1994. Other important markets include Angola, Kenya, Ethiopia, and Ghana.

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[3] Mauritius joined the SADC in August 1995.

- Major merchandise import suppliers include Nigeria, Angola, South Africa, and Gabon. These four countries accounted for 82 percent of U.S. imports from Sub-Saharan Africa in 1994, with Nigeria accounting for 38 percent, South Africa and Angola 17 percent each, and Gabon 10 percent. U.S. imports from South Africa are diversified across sectors. Imports from Nigeria, Angola, and Gabon are heavily concentrated in energy-related products, particularly crude oil.

- The average trade-weighted duty on U.S. imports from Sub-Saharan Africa in 1994 was 1.9 percent. The highest average tariffs on U.S. imports from Sub-Saharan Africa are on textiles and apparel (18.2 percent), agriculture (15.5 percent), footwear (7.7 percent), and miscellaneous manufactures (6.1 percent). In 1994, 69 percent of U.S. imports from the region were dutiable on a value basis. Energy-related products accounted for 88 percent of these dutiable imports in 1994.

- U.S. imports from Sub-Saharan Africa under the Generalized System of Preferences (GSP) program are a small percentage of imports from the region--2.7 percent by value, in 1994, up from 1.1 percent in 1993. South Africa, which became eligible for GSP in May 1994, is the largest regional beneficiary under this program, followed by Zimbabwe, Swaziland, and Mozambique. Minerals and metals, followed by agricultural products, were the sectors with the largest values of GSP imports. GSP imports from Sub-Saharan Africa, as a share of total sector imports from the region, were highest for machinery products (48.7 percent) in 1994, followed by transportation equipment (34.9 percent), and miscellaneous manufactures (34.3 percent). Most textiles and apparel and energy-related product imports are not eligible for GSP treatment.

- The United States recorded a surplus in services trade with all African countries in 1993, the latest year for which data are available. This surplus amounted to $699 million.

U.S. Investment in Sub-Saharan Africa

- According to the U.S. Department of Commerce, U.S. direct investment in Sub-Saharan Africa amounted to $3.5 billion at yearend 1993. Of this total, U.S. investment of $925 million in South Africa and $527 million in Nigeria, combined for 41 percent. U.S. direct investment is concentrated in the petroleum sector, although the position in South Africa is mostly in manufacturing. Other countries with relatively large U.S. investment include Cameroon and Liberia.

U.S. Government Development Assistance

- The United States provides bilateral assistance to Sub-Saharan Africa through programs operated by the U.S. Agency for International Development (USAID), the U.S. Department of Agriculture (USDA), the U.S. Department of State, the Peace Corps, the African Development Foundation, and other U.S. Government agencies.

- Through its bilateral economic assistance programs, the United States was the fourth largest donor to Sub-Saharan Africa in 1993, providing approximately 8 percent of total official development assistance, after France, the World Bank, and the EU.

- U.S. bilateral economic assistance programs for Sub-Saharan Africa include USAID's Development Assistance (DA) programs , which are largely funded through the Development Fund For Africa, food assistance, disaster assistance, economic support funds, international narcotics control, Peace Corps, and African Development Foundation programs. U.S. assistance under these programs in fiscal year (FY) 1994 is estimated at $1.7 billion. Additional economic assistance is provided through housing guaranties and loan guaranties to micro and small enterprises. Military assistance to Sub-Saharan Africa amounted to $4.5 million in FY 1994.

- DA programs, which amounted to $826.7 million for Sub-Saharan Africa in FY 1994, are the primary means for providing long-term, bilateral economic assistance to the region. During FYs 1990-94, 26 percent of these funds were used for assistance for agricultural development in Sub-Saharan Africa, 18 percent for education, 15 percent for health, and 13 percent for business, trade, and financial development. Food assistance programs, which amounted to $635.1 million in FY 1994, have been used to provide wheat, corn, rice, and other bulk commodities to countries in Sub-Saharan Africa on the basis of grants or long-term concessional sales.

- U.S. multilateral assistance to Sub-Saharan Africa is channeled through the International Development Association, a World Bank affiliate, the African Development Bank (AFDB), the International Monetary Fund (IMF), and various agencies of the United Nations. The United States provides assistance also by means of debt reduction through the "Paris Club" of creditor governments.

- During FYs 1990-94, U.S. assistance to Sub-Saharan Africa through bilateral and multilateral channels is estimated at $13.6 billion. Of this amount, 65 percent was provided through bilateral assistance and 35 percent through multilateral channels.

U.S. Trade Programs

- Export and investment assistance facilitating U.S. trade with and investment in Sub-Saharan Africa is provided through such agencies as the Export-Import Bank of the United States (Eximbank), the Overseas Private Investment Corporation (OPIC), the Trade and Development Agency (TDA), and a number of agricultural export assistance programs, such as the Export Enhancement Program (EEP) and the GSM-102 Credit Guarantee Program. A number of trade contact and market development programs are also operated by the USDA and the U.S. Department of Commerce.

- In 1994, Eximbank financial support for exports to Sub-Saharan Africa amounted to 6.2 percent of its worldwide exposure. At the end of 1994, however, only 9 countries in Sub-Saharan Africa were eligible for all Eximbank programs, and 3 countries were eligible for some programs. Two countries, Sudan and Nigeria, are legally prohibited from the program. Lack of Eximbank financing for countries in Sub-Saharan Africa is cited by private sector interests as a significant impediment to increasing U.S. exports to the region.
- During FY 1994, OPIC assistance to Sub-Saharan Africa amounted to $236.5 million, or 5.5 percent of total OPIC assistance in that year. Oil industry projects in Congo and Nigeria received the largest support during FYs 1990-94.
- U.S. agricultural exports under commercial export programs (GSM-102 and EEP) are relatively small. Senegal and Zimbabwe have been the largest users of the GSM-102 program, which has been used to finance purchases of U.S. rice, cotton, corn, and poultry. EEP shipments have largely been to South Africa for purchase of U.S. wheat and wheat flour and to Senegal for purchase of vegetable oil. In FY 1994, exports of wheat and wheat flour under the EEP to Sub-Saharan Africa accounted for 9 percent of the total quantity of exports of wheat and wheat flour under the program.

Review of Literature and Private Sector Views of the Uruguay Round Agreements

- A number of studies have assessed the probable effects of the Uruguay Round Agreements (URA) on developing countries in general and on Africa in particular. These studies' conclusions have ranged from negative in the short term to positive in the long term. Important reasons for these results include the fact that many African countries have neither the economic infrastructure nor the political institutions necessary to take full advantage of the gains that are likely to arise from the URA. These studies found also that, in some cases, the URA will not benefit developing countries because some agreements will not result in significant reductions in trade barriers on the part of either developed or developing countries.
- The U.S. private sector largely takes the view that the URA will have little effect overall on U.S.-Sub-Saharan Africa trade flows. According to private sector interests, such impediments as a lack of infrastructure and investment financing, high costs of doing business from burdensome regulations and state-owned monopolies, and lack of transparency in business dealings are important factors inhibiting trade growth under the URA. The views of the private sector in Sub-Saharan Africa include concerns that the lack of Sub-Saharan Africa's infrastructure and its inability to compete in international markets will limit any benefits from the URA.

URA Issues of Concern to Sub-Saharan African Countries

- The United States and other developed countries committed themselves to a wide range of obligations under the URA, including reductions in tariff and nontariff barriers. Developing countries for the most part have not committed themselves to reductions in barriers that are as extensive as those agreed to by developed countries, and, in some instances, were given additional time to phase-in reductions and other commitments. Least-developed countries received even more favorable treatment, particularly under the UR Agreement on Agriculture.

- Two issues of concern have been raised by Sub-Saharan African countries in terms of the impact of the URA. The first issue involves the impact of reforms of developed-country agricultural support policies negotiated under the Agreement on Agriculture on food import prices. Most African countries are net importers of food, and some countries fear that, in the short term, the URA will result in higher prices for food imports caused by reductions in export subsidies and internal support programs by food-exporting countries. In response to these concerns, the URA commits developed countries that are members of the World Trade Organization (WTO) to provide technical and other assistance to help affected developing countries avoid harm from increased food bills.

- Second, some African countries fear that tariff reductions under the URA will result in a reduction in the margins of preference currently enjoyed by these countries in developed-country markets. Currently, 46 Sub-Saharan African countries enjoy a special relationship with the EU under the Lomé Convention, which allows duty-free and preferential treatment for eligible products. Eligible imports similarly benefit from duty-free treatment under GSP programs in the EU as well as in the United States. Some developing countries are concerned that the URA could result in increased competition for exports that currently benefit from these preferences.

Effects of the URA on U.S.-Sub-Saharan Africa Trade Flows

Based on the Commission's qualitative analysis, the effects of the URA on U.S.-Sub-Saharan Africa trade flows are as follows:

- U.S. trade in one sector, miscellaneous manufactures, is likely to experience a small[4] (from over 1 percent to 5 percent) increase after URA provisions are fully implemented. The URA should result in a negligible impact (change of 1 percent or less) in overall U.S.-Sub-Saharan Africa trade flows in the following sectors: agriculture, forest products, chemicals and related products, energy-related products, textiles and apparel, footwear, minerals and metals, machinery, transportation equipment, electronic products, and services.

[4] The Commission used the following terms to describe the expected impact of the URA on U.S. trade:

negligible	a change of 1 percent or less;
small	a change of over 1 percent to 5 percent;
modest	a change of over 5 percent to 15 percent; and
sizeable	a change of over 15 percent.

- URA reductions in tariffs could adversely affect U.S. GSP preferences in the following sectors: forest products, chemicals and related products, machinery, and miscellaneous manufactures. In other sectors, tariffs were already low before the URA, U.S. tariff changes will likely not affect U.S. trade with Sub-Saharan Africa, or products in the sector are not eligible for GSP treatment.

- In the agricultural sector, U.S. exports to Sub-Saharan Africa are not likely to increase because of the URA and could decline in the short run to the extent that increased world prices resulting from declines in export subsidies in developed countries limit the volumes purchased by countries in Sub-Saharan Africa. However, a significant amount of U.S. bulk commodities are exported under food assistance programs, which are not subject to reduction under the URA. U.S. imports from Sub-Saharan Africa are expected to increase by a negligible amount because most sector imports from the region either are duty free under MFN column-1 rates or enter duty free under GSP.

- Most U.S. imports of forest products are duty free or enter duty free under GSP. GSP preferences that do exist for forest products, however, will be lost or reduced under the URA since a significant share of U.S. forest products imports will be duty free or enter at rates of duty below 5 percent by the end of the URA implementation period. U.S. exports of forest products to Sub-Saharan Africa are not likely to be affected by the URA because the markets for such products in the region are small and limited by per capita income.

- URA tariff changes in the chemicals sector are not expected to affect U.S.-Sub-Saharan Africa trade flows, although U.S. tariff reduction could diminish the benefits of GSP, especially for South Africa. The Agreement on Trade-Related Aspects of Intellectual Property Rights, however, may encourage investment and technology transfer to Sub-Saharan Africa in this sector. U.S. net trade with Sub-Saharan Africa in energy-related products is unlikely to be affected by the URA because U.S. and foreign import duties were already low before the URA.

- The phaseout of U.S. quotas on imports of textiles and apparel under the Agreement on Textiles and Clothing is likely to expose Sub-Saharan African countries to strong competition in the U.S. market from large Asian sources; thus U.S. imports from Sub-Saharan Africa are not expected to increase by more than a negligible amount under the URA. U.S.-Sub-Saharan Africa trade in footwear is relatively insignificant and is unlikely to be affected by the URA.

- Most U.S. tariffs in the minerals and metals sector either were unaffected by the URA or will experience minor reductions. Thus the URA is expected to have no more than a negligible effect on the overall level of U.S. imports of such products, although imports of certain steel products could increase. Furthermore, because tariffs in South Africa, the leading Sub-Saharan export market for this sector, were not reduced, exports in this sector will be relatively unaffected by the URA.

- Increases in U.S. imports of machinery from Sub-Saharan Africa are likely to be negligible as URA duty reductions nullify the existing advantage provided by the GSP. A negligible increase in U.S. exports of these products is also likely because tariff rates on machinery products in the largest regional market, South Africa, are already free and URA tariff concessions by other Sub-Saharan African countries were minimal. U.S. net trade in transportation equipment with Sub-Saharan Africa is likely to increase by no more than a negligible amount because U.S. duties before the URA were already low and there is little production of transportation equipment in the region.

- The URA is likely to result in a small increase in net U.S.-Sub-Saharan Africa trade in miscellaneous manufactures, although from a small base, and a modest (over 5 to 15 percent) increase in U.S. exports of such products, especially sporting goods and furniture to South Africa. U.S. imports in this sector are expected to increase by a negligible amount because import duties are applied to only 16 percent of trade and duty reductions may be partially offset by a narrowing of the gap between GSP and MFN tariff rates. The production base in many Sub-Saharan African countries also is limited, thus affecting these countries' ability to increase sector exports.

- U.S. trade with Sub-Saharan Africa in electronic products also will be largely unaffected by the URA. U.S. exports to Sub-Saharan Africa in this sector are minimal because of low income levels and of the lack of foreign exchange available to purchase electronic products. Over time, however, strengthened intellectual property rules under the URA and the improved investment conditions in Sub-Saharan Africa may facilitate U.S. trade in this sector.

- Thirty-six of the 48 Sub-Saharan African countries submitted national schedules to the WTO identifying trade barriers to international trade in services. Based on commitments contained in the schedules, the URA is not expected to have more than a negligible impact on U.S.-Sub-Saharan Africa service trade flows for two reasons. First, the schedules offered by countries in Sub-Saharan Africa provided little with respect to the transparency of rules and regulations that govern the way in which service firms are allowed to conduct business in these countries. Second, the content of the schedules effectively bound standstill commitments; little liberalization was actually achieved.

Progress in Regional Integration and Economic Reform

- Most countries in Sub-Saharan Africa are involved in one or more regional integration arrangements with such stated objectives as creating customs unions with common external tariffs, eliminating duties and trade barriers among member countries, and encouraging regional investment and intraregional trade. Such regional organizations are believed to benefit African countries by allowing members to share infrastructure and by providing larger markets that are more attractive for investment and trade.

- Three regional organizations, the Southern African Customs Union, the Central African Economic and Monetary Community, and the Mano River Union, have introduced common external tariffs, and some limited tariff reductions have been achieved by other organizations. However, achievements under many regional integration arrangements in Sub-Saharan Africa have been limited to date. Reasons for this limited progress include a lack of complementarity among economies given the fact that many countries produce similar products. Other reasons include differences in market orientation, market size, the level of government involvement, and stages of economic development which can create the potential for dislocations and unequal distribution of gains from regional integration.

- Structural adjustment programs through which countries implement domestic economic reforms were initiated by a number of Sub-Saharan African countries in the mid-1980s with the support of the IMF, the World Bank, and donor countries. According to a recent AFDB report, progress in implementing domestic policy reforms has been mixed in Sub-Saharan Africa. The report notes that many countries in Sub-Saharan Africa have made progress in improving their fiscal balances, restructuring their economies, and privatizing public enterprises. However, the report noted mixed progress in implementing liberalized exchange rate regimes, with some countries, such as Nigeria, abandoning market-determined exchange rates.

- The most significant policy development in the region in 1994 was the devaluation of the CFA franc in January 1994. This devaluation affected France and 14 Sub-Saharan African countries in the CFA Franc Zone. The devaluation enabled the IMF and the World Bank to resume structural adjustment negotiations with these countries. For foreign investors, the devaluation may make future investments in Franc Zone countries cheaper and more profitable, notwithstanding the fact that the devaluation raised domestic prices in the devaluing countries.

- Another policy development was the 1994 success of Sub-Saharan Africa's twelve stock markets. According to the AFDB Report, Africa's stock markets posted the biggest gains in U.S. dollar terms among all markets worldwide, indicating that Africa is increasingly being viewed by foreign investors as a viable emerging market for portfolio investment.

■

CHAPTER 1: INTRODUCTION

Purpose of the Report

Section 134 of the Uruguay Round Agreements Act[1] (URAA) directs the President to develop a comprehensive trade and development policy for the countries of Africa and to report to the Congress annually over the next 5 years on the steps taken to carry out that mandate. The Statement of Administrative Action[2] that was approved by the Congress in the URAA broadly outlines the Administration's plans for this work and the assistance needed from the U.S. International Trade Commission (Commission) for the President to fulfill this assignment.

On March 31, 1995, the Commission received a letter (see appendix A) from the U.S. Trade Representative (USTR) requesting that the Commission conduct an investigation under section 332(g) of the Tariff Act of 1930 on U.S.-Africa trade flows and on the effects of the Uruguay Round Agreements and of U.S. trade and development policy on such flows. More specifically, the USTR letter requested that the Commission prepare a report on U.S.-Africa trade flows which contains the following information:

(1) A profile of the structure of U.S.-Africa trade flows over the 1990-94 period for the following major sectors: agriculture, forest products, textiles and apparel, energy, chemicals, minerals and metals, machinery and equipment, electronics technology, miscellaneous manufactures, and services;

(2) A summary of U.S. Government trade and development programs (e.g., investments, trade finance, trade facilitation, trade promotion, foreign development assistance, etc.) in Africa during the 1990-94 period;

(3) A summary of the literature and private sector views relevant to assessing the impact of the Uruguay Round Agreements on developing countries and Africa, in particular; and

(4) An assessment of any effects of the Uruguay Round Agreements and of U.S. trade and development policy for Africa on U.S.-Africa trade flows.

The USTR also asked the Commission to provide in its report, to the extent practicable, any readily available information on the role of regional integration in Africa's trade and development and on Africa's progress in implementing economic reforms. The USTR also requested the Commission to confine its investigation and report to 48 countries in Sub-Saharan Africa and, when possible, to provide more specific data for the 15 countries mentioned in the letter. The USTR requested that the Commission submit its report by November 15, 1995.

[1] 19 U.S.C. 3554.

[2] "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,* September 27, 1994, House Document 103-316, pp. 73-74.

Approach

Annual data on the value of U.S. exports to and imports from Sub-Saharan Africa have been obtained from the Department of Commerce. Information on U.S. Government trade and on development assistance programs for Sub-Saharan Africa for FYs 1990-94 was obtained from the U.S. Agency for International Development (USAID), the U.S. Department of State, the U.S. Treasury Department, the International Monetary Fund (IMF), the U.S. Department of Agriculture (USDA), the Export-Import Bank of the United States (Eximbank), the Overseas Private Investment Corporation (OPIC), the Trade and Development Agency (TDA), and from other relevant agencies that are responsible for trade and development assistance programs in Sub-Saharan Africa. This report presents information only on U.S. trade and development assistance programs that channel funds specifically to Sub-Saharan Africa.

Studies from the Organization for Economic Cooperation and Development (OECD), the World Bank, the World Trade Organization (WTO), universities, and other relevant organizations were gathered and used in the review of literature. Information on the views of private sector officials as to the effect of the Uruguay Round Agreements (URA) on U.S.-Sub-Saharan Africa trade flows was obtained from responses to a cable sent to U.S. Embassies in Sub-Saharan Africa and from interviews with relevant industry officials. The Commission staff also traveled to the WTO, the European Commission, and to the OECD to gather information for the study. The Commission also collected information through a public hearing held on July 26, 1995, in Washington, DC. A copy of the notice of the hearing is attached in appendix B. The list of witnesses appearing at the hearing is attached in appendix C.

This study examines the impact of the URA on U.S. trade flows with Sub-Saharan Africa through an analysis of the agreements most likely to affect such trade. The URA assessments were made by trade analysts in the Commission's Office of Industries based on each analyst's knowledge of the URA and his or her respective industry, and on the URA commitments made by the United States and countries in Sub-Saharan Africa. Data on U.S. and Sub-Saharan Africa's country commitments under the URA were obtained from Commission files, the Office of the U.S. Trade Representative (USTR), and the WTO. The sector assessments focus on the likely long-term impact of the URA on U.S.-Sub-Saharan Africa trade flows after pertinent URA provisions are fully in effect. The indicators "negligible," "small," "modest," and "sizeable" are used to portray the likely impact of the URA on U.S. Sub-Saharan Africa trade flows. These indicators are defined below:[3]

negligible	a change of 1 percent or less;
small	a change of over 1 percent to 5 percent;
modest	a change of over 5 percent to 15 percent; and
sizeable	a change of over 15 percent.

[3] It should be noted that these indicators are based on qualitative assessments. Thus, the assessment for each individual sector should be used as a benchmark rather than as a precise measure of the likely impact of the URA on U.S.-Sub-Saharan Africa trade flows. These are the same indicators used by the U.S. International Trade Commission (USITC) in Investigation No. 332-353, *Potential Impact on the U.S. Economy and Industries of the GATT Uruguay Round Agreements*, USITC publication 2790, June 1994.

Scope of the Report

The following 48 Sub-Saharan African countries are covered in this investigation:

Republic of Angola (Angola)	Republic of Benin (Benin)
Republic of Botswana (Botswana)	Burkina Faso (Burkina)
Republic of Burundi (Burundi)	Republic of Cameroon (Cameroon)
Republic of Cape Verde (Cape Verde)	Central African Republic
Republic of Chad (Chad)	Federal Islamic Republic of the Comoros (Comoros)
Republic of the Congo (Congo)	Republic of Côte d'Ivoire (Côte d'Ivoire)
Republic of Djibouti (Djibouti)	Republic of Equatorial Guinea (Equatorial Guinea)
State of Eritrea (Eritrea)	Ethiopia
Gabonese Republic (Gabon)	Republic of the Gambia (Gambia)
Republic of Ghana (Ghana)	Republic of Guinea (Guinea)
Republic of Guinea-Bissau (Guinea-Bissau)	Republic of Kenya (Kenya)
Kingdom of Lesotho (Lesotho)	Republic of Liberia (Liberia)
Republic of Madagascar (Madagascar)	Republic of Malawi (Malawi)
Republic of Mali (Mali)	Islamic Republic of Mauritania (Mauritania)
Republic of Mauritius (Mauritius)	Republic of Mozambique (Mozambique)
Republic of Namibia (Namibia)	Republic of Niger (Niger)
Federal Republic of Nigeria (Nigeria)	Republic of Rwanda (Rwanda)
Democratic Republic of Sao Tomé and Principe (Sao Tomé and Principe)	Republic of Senegal (Senegal)
Republic of Sierra Leone (Sierra Leone)	Republic of Seychelles (Seychelles)
Somalia	Republic of South Africa (South Africa)
Kingdom of Swaziland (Swaziland)	Republic of the Sudan (Sudan)
Republic of Togo (Togo)	United Republic of the Tanzania (Tanzania)
Republic of Zaire (Zaire)	Republic of Uganda (Uganda)
Republic of Zimbabwe (Zimbabwe)	Republic of Zambia (Zambia)

Figure 1-1 provides a map of these countries and the region. To the extent possible and where relevant, more detailed information is provided for the following 15: Côte d'Ivoire, Gabon, Ghana, Uganda, and the member countries of the Southern African Development Community (SADC)--Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia, Zimbabwe, and South Africa.[4]

The commodity sectors covered in the report include agricultural products, forest products, chemicals and related products, energy-related products, textiles and apparel, footwear, minerals and metals, machinery, transportation equipment, electronic equipment, and miscellaneous manufactures. The trade data for these sectors have been aggregated from the Commission's trade monitoring commodity groups. Data for U.S. trade in services with all African countries are provided for telecommunications, education services, professional services, insurance, and royalties and license fees for 1990-93.

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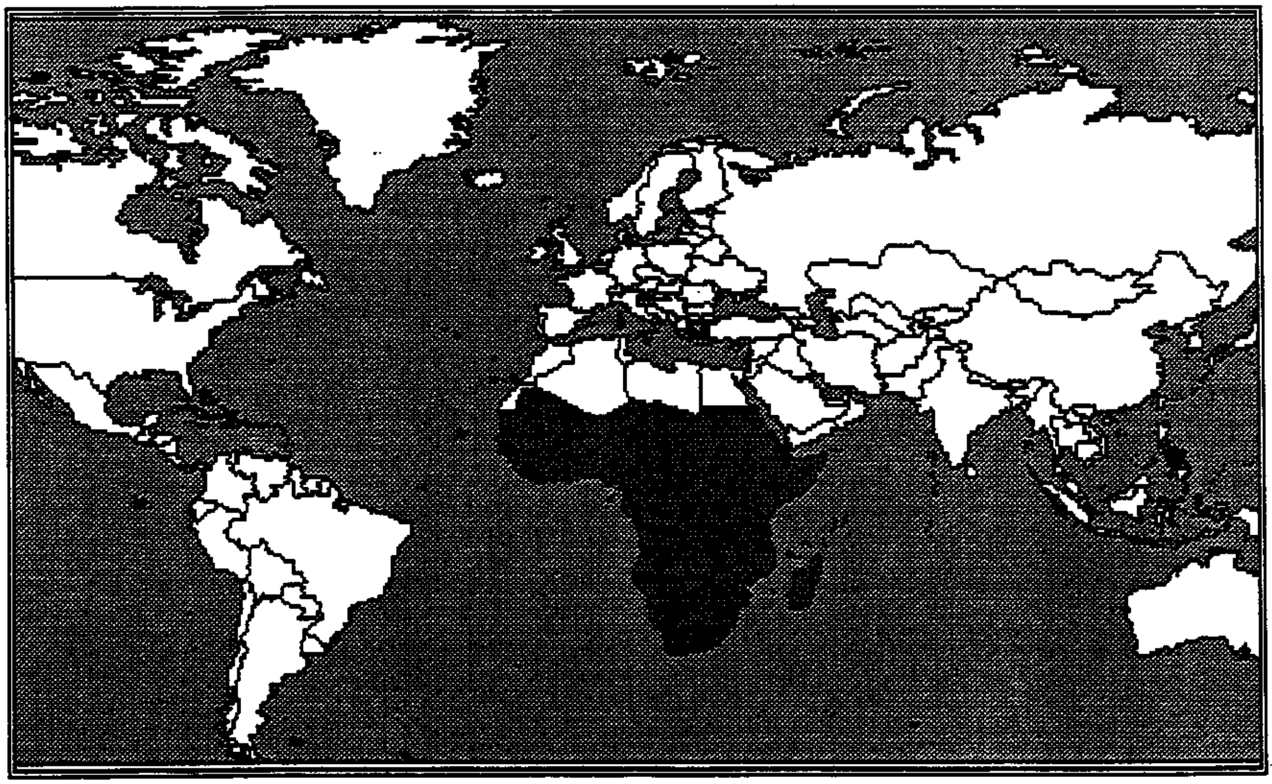
[4] The letter from the USTR requested more detailed information for 13 of these countries. An additional request was received on April 7, 1995, for detailed information on the Côte d'Ivoire and Gabon. See appendix A. Mauritius joined the SADC in August 1995.

Figure 1-1
Forty-eight countries of Sub-Saharan Africa



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

Country Coverage

The 48 Sub-Saharan African countries covered in this report represent a diverse set of countries that range in population from 72,000 people in the Seychelles to 105 million people in Nigeria. There are continuing opportunities for growth and development on this diverse continent despite political and economic obstacles. Nearly two thirds of the countries in the Saharan Africa are consolidating their democracies or are soon to hold democratically based elections. New leadership in many of these countries is committed to building strong economies through restructuring, privatization, and deregulation.[5]

Thirty-five of the countries covered in this report are classified by the World Bank as low income, 9 as lower middle income, and 4 as upper middle income (figure 1-2).[6] The economies of most of these countries depend heavily on agriculture, forest products, minerals, metals, and energy products for generating export earnings and income. As shown in figure 1-2, 31 of the covered countries depend on exports of petroleum or nonfuel primary products for generating foreign

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[5] Regina C. Brown, Deputy Assistant Secretary for African Affairs, U.S. Department of State, testimony at the USITC hearing, July 26, 1995.

[6] High-income countries include the industrialized members of the OECD and countries with per capita incomes of $8,626 or more in 1993.

Figure 1-2
Classification of Sub-Saharan African economies by income, major export category, and indebtedness

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

[1] Low income refers to 1993 GNP per capita of $695 or less; lower middle income to 1993 per capita GNP of $696-$2,785; and upper middle income to 1993 per capita GNP of $2,786-$8,625.

[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 GNP and on the present value of debt service to exports. Eritrea is not classified by debt category.

Source: The World Bank, *Global Economic Prospects for Developing Countries* (Baltimore: Johns Hopkins University Press, 1995).

exchange. The diversified exporters include Cameroon, Central African Republic, Comoros, Kenya, Mauritius, Mozambique, Senegal, Sierra Leone, and South Africa.

Because of this dependence on agriculture and commodity trade, drought and changing world commodity prices tend to have relatively large impacts on African economies. Following oil shocks in 1973-74 and 1979-80, real commodity prices (except for oil) fell, and interest rates rose. Many

African governments had to borrow from donors and commercial banks to maintain public services and to import essential goods and services.[7] Economic crises in many African countries forced their governments to turn to the IMF, the World Bank, and to other donors for special financial assistance. That assistance, which has been tied to policy conditions, has been packaged in structural adjustment programs.

Over 30 African countries are currently involved in the process of structural adjustment.[8] Despite these ongoing programs, 28 of the covered countries are classified by the World Bank as severely indebted, meaning that the ratio of debt service to gross national product (GNP) or to exports is considered above critical levels. This indicator suggests that these countries may have difficulty in servicing foreign exchange debts owed to official donors or to commercial banks.[9]

In addition to drought and unstable commodity prices, civil wars and unstable governments have also impeded economic development in some African countries. For instance, Liberia has been in a state of civil war since December 1989; Angola was in a state of civil war during 1975-94; Mozambique's 30-year civil war ended in the early 1990s; and Somalia was torn with civil war during 1991-93. The Greater Horn of Africa, a region comprising 10 countries--Rwanda, Burundi, Somalia, Ethiopia, Eritrea, Sudan, Djibouti, Uganda, Kenya, and Tanzania--has been cited as a particularly high risk area for civil conflict and drought because of geographic constraints and cultural clashes.[10]

Sub-Saharan Africa experienced a 2.2-percent growth in real income[11] in 1994, up from 0.8 percent in 1993 and 0.3 percent in 1992, according to World Bank estimates.[12] Economic growth in the region was just above the average of 2.0 percent for all developing countries in 1994, and income is projected to continue to grow at 3.8 percent a year during 1995-2004. Because of high population growth, however, real per capita income growth for the region was negative, at -0.7 percent, in 1994.[13]

According to the World Bank, Sub-Saharan African exporters of primary products benefited from a rise in commodity prices in 1994. The price boom, however, is expected to be transitory, with Africa's terms of trade projected to rise by 0.3 percent per year during 1994-2004. Longer run trends of gradually declining prices suggest that a commitment to stabilization and structural reform policies and high-productivity investment will be required to sustain economic growth in the region.

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[7] The oil boom affected adversely even some oil exporters. For example, in the mid-to-late 1970s, Nigeria's exchange rate became overvalued resulting in import restrictions to conserve foreign exchange in the early 1980s. See Cathy L. Jabara, *Structural Adjustment and Stabilization in Niger*, Cornell Food and Nutrition Policy Program, Monograph 11 (Ithaca: CFNPP, 1991).

[8] USAID, *Africa: Growth Renewed, Hope Rekindled, A Report on the Development Fund for Africa 1988-1992* (Washington, DC: USAID, 1993), p. 18.

[9] According to the African Development Bank (AFDB), outstanding debt for the region in 1994 was $269.5 billion, up from $251.4 billion in 1993. External debt service absorbed 35.4 percent of 1994 export earnings, compared to less than 29 percent in 1993. See the AFDB, *1995 African Development Report* (Abidjan: AFDB, 1995).

[10] USAID, *Congressional Presentation*, FY 1996.

[11] As measured by gross domestic product (GDP).

[12] World Bank, *Global Economic Prospects*, p. 6.

[13] Ibid.

U.S. Foreign Assistance Programs for Sub-Saharan Africa

U.S. foreign assistance to Sub-Saharan Africa is provided through three major channels: (1) bilateral programs, (2) multilateral programs, and (3) debt reduction.[14] Bilateral assistance is given on a country-to-country basis, whereas multilateral assistance is provided indirectly through U.S. contributions to international organizations. The United States is the second leading bilateral donor to Sub-Saharan Africa, after France.[15] It was the fourth largest donor overall to Sub-Saharan Africa in 1993, providing approximately 8 percent of total development assistance, after France, the World Bank, and the European Union (EU).[16]

U.S. bilateral economic assistance programs[17] for Sub-Saharan Africa include various Development Assistance (DA) programs that are largely funded through appropriations to the Development Fund for Africa, food assistance, specialized DA accounts that provide international disaster assistance and credit guarantees, the Peace Corps, African Development Foundation, the Economic Support Fund, and International Narcotics Control. Other U.S. bilateral assistance programs in the region include military assistance as well as a number of smaller, targeted assistance programs operated by various U.S. agencies.

U.S. multilateral assistance to Sub-Saharan Africa is channeled through the International Development Association (IDA), a World Bank affiliate; the African Development Bank Fund (AFDBF), an affiliate of the African Development Bank; the Enhanced Structural Adjustment Facility, which is managed by the IMF; and agencies of the United Nations. The IDA is the largest source of concessional (below market rate) financing for Africa.[18] Between 40 and 50 percent of IDA resources go to Sub-Saharan Africa to promote macroeconomic policy reforms and to support infrastructure development and poverty alleviation. The United States was the largest contributor to the IDA and the second largest contributor to the AFDBF, after Japan, in 1994.[19]

Debt reduction is implemented through the "Paris Club" of creditor governments. U.S. funds obligated for such debt reduction allow the United States to restructure debt service or to write down the stock of nonconcessional debt owed to U.S. Government agencies.

U.S. Trade Coverage

In 1994, the United States supplied 9 percent of Sub-Saharan Africa's imports, while accounting for 16 percent of the region's exports.[20] The EU is Sub-Saharan Africa's largest trading partner, accounting for 39 percent of the region's imports and 35 percent of exports in 1994.[21] The United States, however, is Sub-Saharan Africa's leading single export market (figure 1-3).

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[14] George E. Moose, Assistant Secretary of State for African affairs, "Africa Programs in the FY 1996 Budget: Protecting Long-Term U.S. Interests," Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee, Washington, D.C., Mar. 28, 1995.

[15] OECD, *Development Cooperation* (Paris: OECD, 1995). Rankings are based on "Official Development Assistance" which excludes military and trade assistance.

[16] Ibid.

[17] Economic assistance programs are designed primarily to promote economic growth in recipient countries.

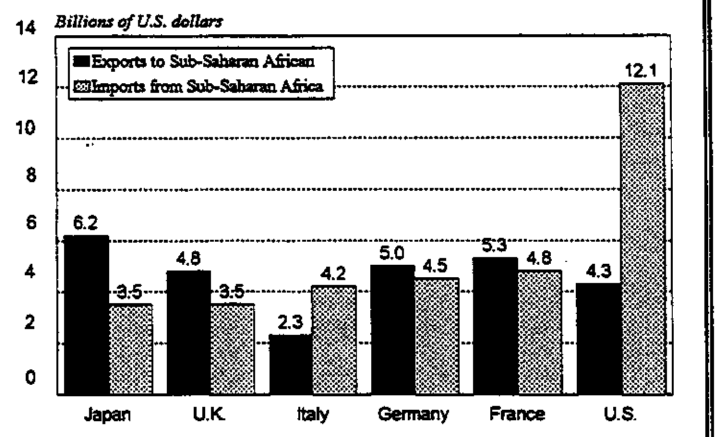
[18] Edward V.K. Jaycox, "Talking Points for Meeting with African Ambassadors," Jan. 19, 1995.

[19] U.S. Department of the Treasury, facsimile received by USITC staff, June 12, 1995.

[20] IMF, *Direction of Trade Statistics Yearbook* (Washington, DC: IMF, Aug. 1995).

[21] Ibid.

Figure 1-3
Sub-Saharan Africa: Major export and import partners, 1994



Source: IMF Direction of Trade Statistics.

Other important export markets for Sub-Saharan Africa include France, Germany, Italy, the United Kingdom, and Japan. In 1994, the United States was Sub-Saharan Africa's fifth leading industrial country supplier, after Japan, France, Germany, and the United Kingdom. The United States ran a trade deficit of $7.7 billion with Sub-Saharan Africa in 1994.

Certain exports of Sub-Saharan African countries to the United States benefit from the U.S. Generalized System of Preferences (GSP).[22] U.S. exports to Sub-Saharan Africa have benefitted from Eximbank, OPIC, and TDA programs. Certain agricultural exports to Sub-Saharan Africa are shipped under the Export Enhancement Program (EEP) and the GSM-102 program, as well as through food assistance programs operated by USAID and the USDA. These programs are discussed further in chapter 3.

Issues of Concern to African Countries under the URA

The Final Act of the Uruguay Round (UR), signed at Marrakesh in April 1994, provides for the establishment of the WTO and includes agreements relating to trade in goods, agriculture, sanitary and phytosanitary measures, textiles and clothing, antidumping, trade-related investment measures (TRIMs), subsidies and countervailing measures, safeguards, technical barriers to trade, customs valuation, preshipment inspection, rules of origin, and import licensing procedures.[23] It also includes agreements relating to trade in services and trade-related aspects of intellectual property (TRIPS). The URA entered into force on January 1, 1995, for members who had filed the appropriate ratification documents by that date.

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[22] At the time this report was published, the U.S. Congress was considering renewing the GSP program, which expired July 31, 1995.

[23] For more information on the URA, see USITC, *Potential Impact on the U.S. Economy and Industries of the GATT Uruguay Round Agreements*, USITC publication 2790.

Developed countries agreed to reduce tariffs on manufactures by a trade-weighted average of 38 percent and to eliminate or reduce the coverage of nontariff barriers under the URA.[24] According to World Bank data, developing countries agreed to reduce their trade-weighted average bound tariff on imports from developed countries by 28 percent.[25] Developed countries agreed to reduce the average tariff on agricultural goods by 36 percent over 6 years, with developing countries reducing their tariffs on agricultural goods by 24 percent over 10 years. The UR Agreement on Agriculture further obligates WTO members to convert nontariff barriers to tariffs, provide a guaranteed minimum level of market access equal to 5 percent or more (depending on preexisting levels of access) of domestic consumption by the year 2000, and to reduce export subsidies and internal support for agricultural producers.[26]

Two issues of concern have been raised in terms of the impact of the URA on African countries.[27] The first issue relates to the impact of reforms of developed-country agricultural support policies negotiated under the Agreement on Agriculture on food import prices. Most African countries are net importers of food and beneficiaries of export subsidies provided by governments of major food-exporting countries. Critics of the URA have argued that, at least in the short term, the URA will result in higher prices for food imports and will, thus, exacerbate the foreign exchange difficulties currently being faced by many of these countries. In support of such concerns, the United Nations Food and Agriculture Organization (FAO) has suggested that Africa's food import bill could rise from $8.4 billion in 1987-88 to $14 billion in the year 2000, with an estimated 15 percent of this rise being due to the UR.[28] The World Bank, on the other hand, suggests that changes in world food prices will have a minor impact on the welfare of developing countries.[29]

The second issue noted by URA critics relates to the possible reduction in margins of preference currently enjoyed by developing country exports to industrial countries.[30] Currently 46 countries in Sub-Saharan Africa enjoy a special relationship with the EU under the Lomé Convention. This agreement allows duty-free and quota-free access for almost all exports from African, Caribbean and Pacific (ACP) countries to the EU.[31] The EU, as well as other countries including the United States, offers duty-free treatment for eligible products also imported from developing countries under GSP programs. Some developing countries are concerned that the reduction in tariffs under the URA could result in increased competition in developed country markets for exports that currently benefit from these preferences, particularly for products that are the main sources of foreign exchange.

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[24] The reduction for the United States is 34 percent; for the EU, 37 percent; for Canada, 47 percent; and Japan, 56 percent. See Jeffrey J. Schott, *The Uruguay Round: An Assessment* (Washington, D.C.: Institute for International Economics, 1994), p. 152.

[25] World Bank, *Global Economic Prospects*, p. 31. The data cover 26 developing countries.

[26] USITC, *Potential Impact of the GATT*, USITC publication 2790.

[27] GATT Focus, "Africa To Gain More Trade and Investments from Round," No. 106, March-April 1994 and Raymond W. Copson et. al., "Africa: Impact of the Uruguay Round Trade Agreements," Congressional Research Service Issue Brief, Oct. 3, 1994.

[28] FAO Committee on Commodity Problems, *Impact of the Uruguay Round on Agriculture* (Rome: FAO, Jan. 1995).

[29] World Bank, *Global Economic Prospects*, p. 39.

[30] GATT Focus, "Africa To Gain More Trade," and Copson et. al., "Africa: Impact of the Uruguay Round."

[31] Commission of the European Communities, *Lomé IV 1990-2000* (Brussels: Commission of the European Communities, 1990).

Organization of Study

Chapter 2 provides U.S.-Sub-Saharan Africa trade flow data for 1990-94 for major commodity and service sectors. Chapter 3 provides information on U.S. trade and development assistance programs for Sub-Saharan Africa. Chapter 4 provides a summary of the relevant UR agreements and a review of literature. It also presents views from private sector officials in the United States and Africa on the impact of the URA on Sub-Saharan Africa. Chapter 5 provides an assessment of the URA on U.S.-Sub-Saharan Africa trade flows by sector. Chapter 6 provides a summary of other factors affecting economic development and trade flows in the region, including progress in regional integration and in implementation of domestic economic reforms. Chapter 6 also provides a brief summary of the available information on other developed countries' development and trade assistance to Sub-Saharan Africa. Appendix D provides data on U.S. exports to and imports from Sub-Saharan Africa by country on a value basis for 1990-94 as well as other country data. A glossary of abbreviations can be found at the front of the report.

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CHAPTER 2: STRUCTURE OF U.S.-SUB-SAHARAN AFRICA TRADE FLOWS, 1990-94

U.S. merchandise exports to Sub-Saharan Africa amounted to $4.3 billion in 1994, or about 1 percent of total U.S. merchandise exports of $481.9[1] billion in that year (table 2-1). U.S. merchandise imports from Sub-Saharan Africa amounted to $12.1 billion in 1994, or about 2 percent of total U.S. merchandise imports of $657.9[2] billion in that year. The United States consistently maintains a merchandise trade deficit with Sub-Saharan Africa, which amounted to $7.7 billion in 1994. Imports of energy-related products (largely crude petroleum) account for the bulk of U.S. imports from Sub-Saharan Africa and are responsible for the U.S. trade deficit with the region.

The data pertaining to U.S. services trade with Sub-Saharan Africa are limited, and there is a time lag in terms of availability. The available data indicate that the United States recorded a service-trade surplus with all African countries of $699 million in 1993, the latest year for which data are available.

U.S. Merchandise Exports

As shown in table 2-1, U.S. exports to Sub-Saharan Africa rose from $4.0 billion in 1990 to $5.3 billion in 1992 and, then, fell steadily to $4.3 billion in 1994. Transportation equipment, agricultural products, and electronic products are the largest U.S. merchandise export sectors. These sectors accounted for 21.6, 17.9, and 15.6 percent, respectively, by value of U.S. merchandise exports in 1994 (figure 2-1). The increase in U.S. exports during 1990-92 was largely accounted for by higher exports of U.S. agricultural products, which peaked at $1.1 billion in 1992, and by higher exports of transportation equipment. Much of the increase in agricultural exports in 1992 was due to exports of corn, particularly to South Africa. Corn exports to South Africa in 1992 reflect the increase in U.S. shipments under food assistance programs in response to the 1991-92 drought in the Southern Africa region. Much of this assistance was transhipped through South Africa.[3] Exports of transportation equipment to Nigeria rose during 1990-92, but fell during 1992-94, accounting for much of the change in this sector.

U.S. Merchandise Imports

U.S. merchandise imports from Sub-Saharan Africa showed no discernible trend during 1990-94, ranging from a high of $12.6 billion in 1990 to a low of $11.7 billion in 1991 (table 2-1). The energy-related products and minerals and metals sectors account for the bulk of U.S. merchandise imports from Sub-Saharan Africa. These sectors accounted for 69.9 percent and 17.1 percent, respectively, by value of U.S. merchandise imports from the region in 1994 (figure 2-1).

Despite the heavy concentration of U.S. imports from Sub-Saharan Africa in two sectors, some smaller sectors achieved relatively large import growth rates during 1990-94. These sectors and their growth rates include footwear (increase of 290 percent), miscellaneous manufactures (214

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[1] U.S. International Trade Commission (USITC), *U.S. Trade Shifts in Selected Industries*, USITC publication 2924, Sept. 1995.

[2] Ibid.

[3] USDA official, telephone interview with USITC staff, July 21, 1995.

Table 2-1
Sub-Saharan Africa: U.S. exports, imports, and trade balance, by major commodity sectors, 1990-94

(Million dollars)

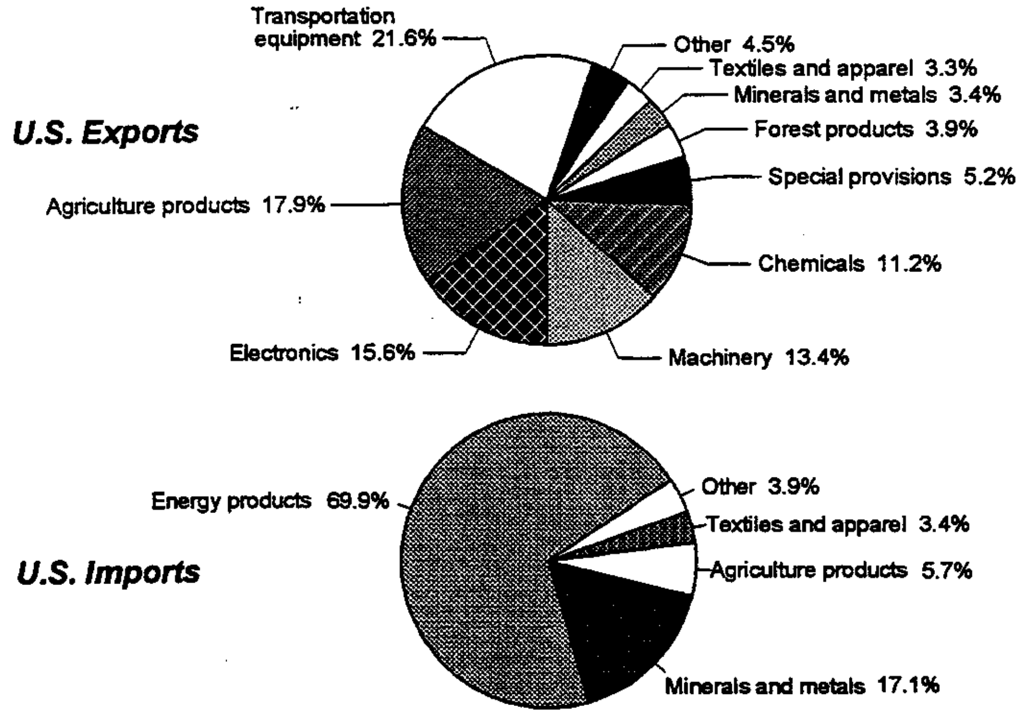
Item	1990	1991	1992	1993	1994
U.S. exports of domestic merchandise:					
Agriculture products	511.1	566.9	1,145.3	874.9	778.5
Forest products	152.3	161.7	165.9	176.0	170.0
Chemicals and related products	512.2	561.1	521.9	493.6	485.5
Energy-related products	112.8	127.3	119.0	125.4	113.6
Textiles and apparel	129.5	141.9	162.7	155.1	142.4
Footwear	2.7	4.2	5.2	6.6	9.9
Minerals and metals	124.1	165.4	175.1	155.0	147.8
Machinery	478.0	494.5	610.3	606.1	581.1
Transportation equipment	1,257.9	1,670.5	1,525.8	1,198.2	937.0
Electronic products	476.2	561.5	595.5	645.5	675.9
Miscellaneous manufactures	28.5	50.8	41.2	49.4	70.0
Special provisions[1]	197.3	210.0	231.9	211.2	227.0
Total	3,982.6	4,715.9	5,299.9	4,697.0	4,338.5
U.S. imports for consumption:					
Agriculture products	598.7	600.3	591.4	670.4	684.7
Forest products	82.5	70.2	68.4	65.6	74.7
Chemicals and related products	102.1	93.9	110.7	128.4	153.3
Energy-related products	9,353.6	8,539.2	8,980.7	9,055.8	8,421.2
Textiles and apparel	186.3	167.8	234.3	329.4	405.8
Footwear	1.0	1.2	2.2	4.4	3.9
Minerals and metals	2,140.0	2,061.2	1,929.5	1,937.8	2,055.8
Machinery	36.6	37.4	33.9	40.7	44.1
Transportation equipment	14.1	18.2	22.1	29.3	34.1
Electronic products	13.4	12.3	19.9	20.1	28.5
Miscellaneous manufactures	18.4	17.3	21.4	31.2	57.7
Special provisions[1]	99.8	67.8	68.7	108.8	88.2
Total	12,646.5	11,686.7	12,083.0	12,421.8	12,051.9
U.S. merchandise trade balance:					
Agriculture products	(87.6)	(33.4)	553.9	204.5	93.8
Forest products	69.8	91.5	97.5	110.4	95.3
Chemicals and related products	410.1	467.2	411.2	365.2	332.2
Energy-related products	(9,240.8)	(8,411.8)	(8,861.7)	(8,930.4)	(8,307.6)
Textiles and apparel	(56.8)	(25.9)	(71.6)	(174.3)	(263.4)
Footwear	1.7	3.0	3.0	2.2	6.0
Minerals and metals	(2,015.9)	(1,895.8)	(1,754.4)	(1,782.8)	(1,908.0)
Machinery	441.4	457.1	576.4	565.4	537.0
Transportation equipment	1,243.8	1,652.3	1,503.7	1,168.9	902.9
Electronic products	462.8	549.2	575.6	625.4	647.4
Miscellaneous manufactures	10.1	33.5	19.8	18.2	12.3
Special provisions[1]	97.5	142.2	163.2	102.4	138.8
Total	(8,663.9)	(6,970.8)	(6,783.4)	(7,724.9)	(7,713.3)

[1] Special provisions include items not in other digests. For imports, these items include items exported but later returned to the United States. For exports, these include charitable and relief donations and items for U.S. Government work and employee personal effects.

Note.–Due to rounding, figures may not add to the totals shown.

Source: Compiled by staff of the U.S. International Trade Commission from data supplied by the Department of Commerce.

Figure 2-1
U.S. exports to and imports from Sub-Saharan Africa: Value share by sector, 1994



Source: Calculated by staff of the U.S. International Trade Commission on the basis of Department of Commerce data.

percent), transportation equipment (142 percent), textiles and apparel (118 percent), electronic products (113 percent), and chemicals and related products (50 percent). Growth in imports of footwear, transportation equipment, and chemicals and related products from South Africa accounted for most of the increases in U.S. imports from the region in whereas growth in imports of miscellaneous manufactures, textiles and apparel, and electronic products was spread across a number of Sub-Saharan African countries.

U.S. Merchandise Trade Balance

The U.S. merchandise trade balance with Sub-Saharan Africa was consistently negative during 1990-94 (table 2-1). Merchandise trade sectors in which the United States ran a trade deficit throughout this period include energy-related products, textiles and apparel, and minerals and metals. The United States had a trade deficit with Sub-Saharan Africa in agricultural products during 1990-91, which switched to a surplus in 1992-94. As noted earlier, however, increased exports of corn to South Africa and under food assistance programs accounted for much of the increase in U.S. agricultural exports to Sub-Saharan Africa in 1992 and 1993. The United States ran trade surpluses with Sub-Saharan Africa in other sectors, although declining ones, in chemicals and related products and in transportation equipment.

Major Trading Countries

The major U.S. export markets in Sub-Saharan Africa are South Africa and Nigeria (table 2-2 and figure 2-2). These countries together accounted for 60 percent of U.S. exports to Sub-Saharan Africa in 1994, with South Africa accounting for 49 percent and Nigeria for 12 percent of U.S. exports. Other important markets include Angola, Kenya, Ethiopia, and Ghana.

Table 2-2
Sub-Saharan Africa: Major U.S. export markets, 1990-94

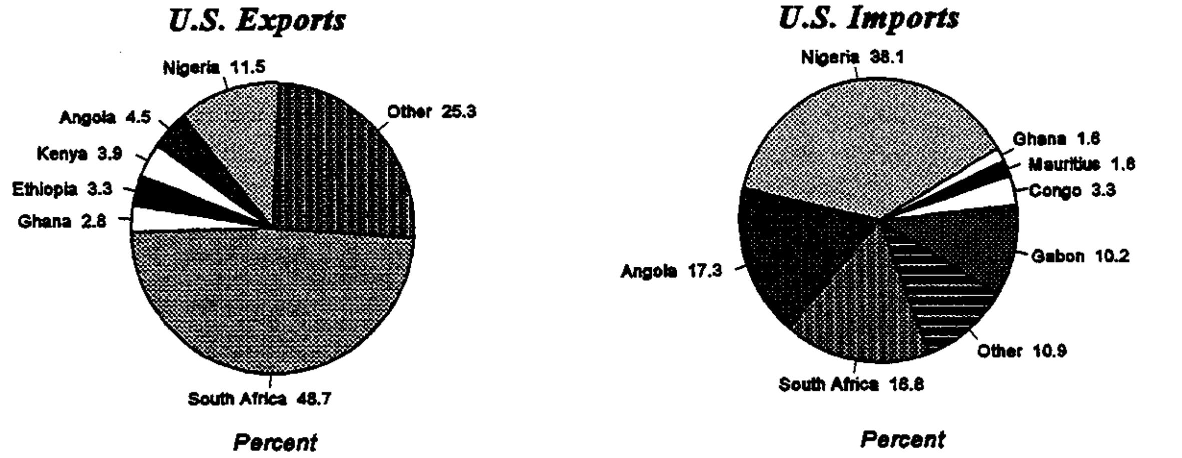
(Million dollars)

Country	1990	1991	1992	1993	1994
Republic of South Africa	1,675.7	2,060.5	2,383.3	2,144.5	2,114.9
Nigeria	542.3	824.1	980.2	875.2	500.6
Angola	145.3	186.8	155.3	167.5	196.7
Kenya	114.6	91.0	123.0	115.5	168.5
Ethiopia	156.9	210.0	249.3	136.1	142.4
Ghana	133.7	140.7	119.7	211.3	121.4
Côte d'Ivoire	76.4	79.4	86.4	87.7	110.1
Zimbabwe	133.2	52.7	142.2	83.1	92.2
Sudan	41.7	92.2	51.6	52.6	54.4
Cameroon	45.8	45.5	56.9	48.2	53.5
Tanzania	47.7	32.5	30.8	32.8	48.8
Guinea	41.9	85.1	60.0	57.3	47.3
Madagascar	11.5	14.1	6.1	10.8	47.3
Liberia	43.9	46.9	30.4	20.0	46.2
Senegal	52.2	75.8	76.8	68.9	42.2
All other countries	719.8	678.6	748.0	585.7	552.2
Total	3,982.6	4,715.9	5,299.9	4,697.0	4,338.5

Note.–Due to rounding, figures may not add to the totals shown.

Source: Compiled by staff of the U.S. International Trade Commission from data supplied by the U.S. Department of Commerce.

Figure 2-2
Sub-Saharan Africa: U.S. major trading partners, value shares, 1994



Source: Compiled by staff of the U.S. International Trade Commission from data supplied by the U.S. Department of Commerce.

Major import suppliers from Sub-Saharan Africa include Nigeria, Angola, South Africa, and Gabon (table 2-3 and figure 2-2). These four countries accounted for 82 percent of U.S. imports from Sub-Saharan Africa in 1994, with Nigeria accounting for 38 percent, South Africa and Angola for 17 percent each, and Gabon for 10 percent. United States imports from South Africa are diversified across sectors. Imports from Nigeria, Angola, and Gabon are heavily concentrated in energy-related products, particularly crude oil.

Table 2-3
Sub-Saharan Africa: Major U.S. import suppliers, 1990-94

(Million dollars)

Country	1990	1991	1992	1993	1994
Nigeria	5,978.8	5,373.7	5,071.2	5,309.4	4,595.2
Angola	1,949.2	1,784.8	2,275.3	2,101.0	2,079.2
Republic of South Africa	1,697.7	1,729.0	1,719.9	1,851.0	2,019.7
Gabon	726.5	711.6	927.9	922.7	1,232.7
Congo	413.6	409.6	509.8	500.0	403.0
Mauritius	158.1	131.4	136.8	196.4	216.8
Ghana	168.6	151.6	96.4	208.5	198.5
Zaire	316.7	302.2	249.7	240.7	187.0
Côte d'Ivoire	199.8	217.6	187.5	178.2	185.3
Kenya	58.9	73.8	73.3	92.3	111.0
Zimbabwe	104.7	77.4	130.2	142.3	106.0
Guinea	139.0	123.7	101.4	113.0	92.8
Zambia	28.6	43.9	70.5	40.8	63.5
Lesotho	24.9	27.2	52.4	55.7	62.7
Madagascar	41.5	46.6	53.5	42.7	56.7
All other countries	640.0	482.5	427.3	427.0	441.5
Total	12,646.5	11,686.7	12,083.0	12,421.8	12,051.9

Note.–Due to rounding, figures may not add to the totals shown.

Source: Compiled by staff of the U.S. International Trade Commission from data supplied by the U.S. Department of Commerce.

U.S. Imports Under the Generalized System of Preferences

The U.S. Generalized System of Preferences (GSP) program provides duty-free treatment for imports of eligible articles from 146 developing countries to promote economic development through trade.[4] To participate in this program, a country must be designated as eligible for GSP benefits, and the products to be exported must be eligible for the program. During 1990-94, the United States imported GSP-eligible items from 41 countries in Sub-Saharan Africa.[5]

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[4] For a description of the U.S. GSP program, see Office of the United States Trade Representative (USTR), *A Guide to the U.S. Generalized System of Preferences (GSP)* (Washington, DC: USTR, Aug. 1991). At the time this report was published, the U.S. Congress was considering renewing the GSP program, which expired July 31, 1995.

[5] Countries not exporting any products to the United States during 1990-94 under GSP include Nigeria, Liberia, Guinea-Bissau, Gabon, Eritrea, Comoros, and Sao Tomé and Principe. Sudan and Liberia are beneficiary countries that have been suspended from eligibility due to the President's determination that these countries were not affording internationally recognized worker rights. Mauritania was similarly suspended in July 1993. Nigeria, Gabon, and Eritrea are not beneficiary countries.

Minerals and metals and agricultural products were the largest sectors for absolute GSP imports during 1990-94 and accounted for 35 and 33 percent, respectively, of such imports in 1994 (table 2-4). However, most energy-related products, which constitute the largest sector for total U.S. imports from Sub-Saharan Africa, and most textiles and apparel and footwear are not eligible for GSP treatment. The increase in GSP imports from Sub-Saharan Africa in 1994 was largely due to the addition of South Africa to the list of GSP eligible countries in May 1994. Because South Africa is a leading and diversified exporter, GSP imports from the region rose in every sector in 1994. Other important GSP exporters include Zimbabwe, Swaziland, Mozambique, Mauritius, and Côte d'Ivoire (table 2-5).

Table 2-4
Sub-Saharan Africa: U.S. imports under the Generalized System of Preferences, value and share of imports, by sectors, 1990-94

GSP imports	1990	1991	1992	1993	1994
			(Million dollars)		
Agricultural products	109.5	79.0	41.4	50.7	107.5
Forest products	2.1	2.1	3.1	4.0	11.4
Chemicals and related products	2.0	1.0	1.3	1.4	30.1
Textiles and apparel	.3	.2	1.0	.6	2.1
Footwear	0.0	0.0	.1	0.0	.1
Minerals and metals	25.3	7.1	30.8	59.1	116.6
Machinery	.1	([1])	.6	.2	21.5
Transportation equipment	([1])	([1])	0.0	1.2	11.9
Electronic products	3.2	3.8	4.1	5.3	7.7
Miscellaneous manufactures	4.2	4.5	7.7	16.1	19.8
Total	146.6	97.8	90.1	138.5	328.6
			(Percent)		
Agricultural products	18.29	13.17	6.99	7.56	15.70
Forest products	2.54	3.03	4.61	6.16	15.28
Chemicals and related products	1.95	1.06	1.14	1.05	19.67
Textiles and apparel	0.15	0.10	0.43	0.18	0.51
Footwear	0.00	0.00	3.03	0.00	2.94
Minerals and metals	1.18	0.34	1.60	3.05	5.67
Machinery	0.24	0.09	1.75	0.41	48.66
Transportation equipment	0.05	0.02	0.00	3.96	34.94
Electronic products	23.64	30.79	20.87	26.23	26.91
Miscellaneous manufactures	22.84	26.11	36.12	51.78	34.27
Total GSP imports	1.16	0.84	0.75	1.12	2.73

[1] Less than $50,000.

Note.--Due to rounding, figures may not add to the totals shown.

Source: Compiled by staff of the U.S. International Trade Commission from data supplied by the U.S. Department of Commerce.

GSP imports from Sub-Saharan Africa have been a small percentage of U.S. imports from the region, 2.7 percent, by value, in 1994, which was up from 1.1 percent in 1993 (table 2-4). Despite this low share in total imports from the region, GSP imports have accounted for significant percentages of U.S. imports from Sub-Saharan Africa in certain sectors. For example, during 1990-93, GSP imports of electronic products from Sub-Saharan Africa ranged from 20.9 to 30.8 percent

Table 2-5
Sub-Saharan Africa: Major U.S. import suppliers under the Generalized System of Preferences, 1990-94

(Million dollars)

Country	1990	1991	1992	1993	1994
Republic of South Africa	0.0	0.0	0.0	0.0	181.2
Zimbabwe	16.2	10.0	15.7	35.3	40.2
Swaziland	26.4	19.4	8.8	8.7	19.4
Mozambique	8.9	9.9	7.4	0.1	17.2
Mauritius	23.0	19.7	7.4	18.2	15.7
Côte d'Ivoire	19.2	12.1	6.5	13.5	10.7
Kenya	5.8	5.4	5.0	7.2	9.1
Madagascar	4.5	3.6	6.2	1.3	7.8
Namibia	0.0	0.3	11.5	3.6	6.5
Sierra Leone	0.2	[1]	1.4	1.4	6.0
All other countries	42.5	17.3	20.2	49.3	14.9
Total	146.6	97.8	90.1	138.5	328.6

[1] Indicates value less than $50,000.

Note.–Due to rounding, figures may not add to the totals shown.

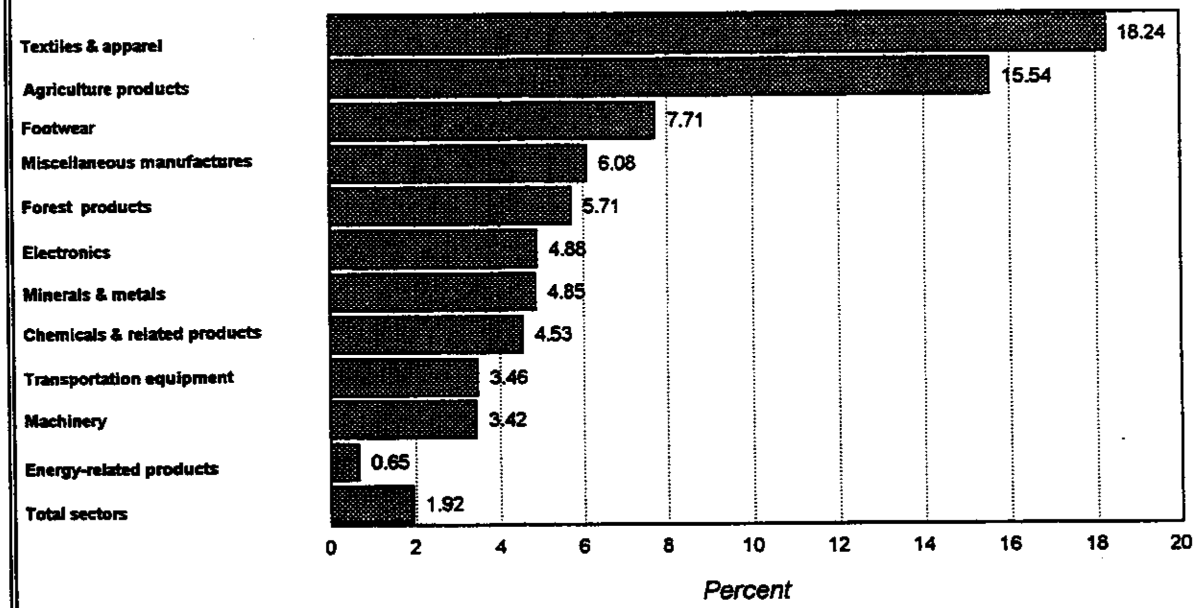
Source: Compiled by staff of the U.S. International Trade Commission from data supplied by the U.S. Department of Commerce.

of sector imports from the region, and GSP imports of miscellaneous manufactures ranged from 22.8 to 51.8 percent of U.S. imports from Sub-Saharan Africa. With the inclusion of South Africa in the program in 1994, GSP imports from Sub-Saharan Africa accounted for 48.7 percent of 1994 imports of machinery from the region, 34.9 percent of imports of transportation equipment, 34.3 percent of imports of miscellaneous manufactures, and 26.9 percent of imports of electronic products.

Average Tariffs and Dutiable Values

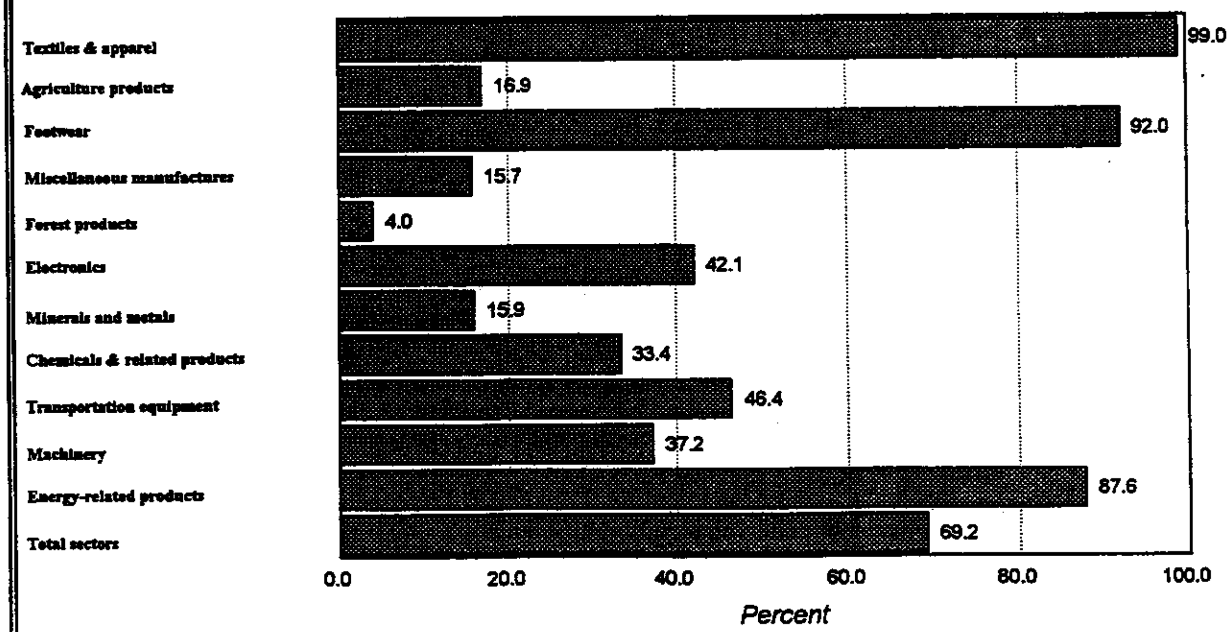
Average trade-weighted tariffs on U.S. imports from Sub-Saharan Africa are shown in figure 2-3. The overall average trade-weighted tariff for all U.S. merchandise imports from Sub-Saharan Africa was 1.9 percent ad valorem equivalent (AVE) in 1994. The highest average tariffs on U.S. dutiable imports in 1994 were on textiles and apparel (18.2 percent AVE), agriculture (15.5 percent AVE), footwear (7.7 percent AVE), and miscellaneous manufactures (6.1 percent AVE). The lowest average trade-weighted tariffs in 1994 were on energy-related products (0.65 percent AVE), machinery (3.4 percent AVE), and transportation equipment (3.5 percent AVE). In 1994, 69 percent of the value of U.S. imports from Sub-Saharan Africa was subject to import duties (figure 2-4). Imports of energy-related products accounted for 88 percent of these dutiable imports. If energy-related products are excluded from U.S. imports, then 26 percent of the remaining imports from Sub-Saharan Africa were subject to import duties in 1994. 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 range from 4.0 percent (forest products) to 46.4 percent (transportation equipment) (figure 2-4).

Figure 2-3
U.S. imports from Sub-Saharan Africa: Trade-weighted average tariffs by dutiable value, by sectors, 1994



Source: Calculated by staff of the U.S. International Trade Commission on the basis of Department of Commerce data.

Figure 2-4
U.S. imports from Sub-Saharan Africa: Share of dutiable imports, by sectors, 1994



Source: Calculated by staff of the U.S. International Trade Commission on the basis of Department of Commerce data.

Average trade-weighted tariffs on U.S. dutiable imports for individual countries in Sub-Saharan Africa vary depending on the products exported to the United States. For countries that export textiles and apparel (Ethiopia, Kenya, Lesotho, Mozambique, Mauritius, Swaziland, Tanzania, and Togo), average trade-weighted duties in 1994 ranged from 16.4 percent AVE in Mozambique to 19.3 percent AVE in Togo. The 1994 average trade-weighted import duties for Zimbabwe (21.7 percent AVE) and Malawi (17.8 percent AVE) reflect duties paid on textiles and apparel and on tobacco. The average trade-weighted duties for oil-exporting countries (Angola, Congo, Gabon, and Nigeria) ranged from 0.61 percent AVE for the Congo to 0.68 percent AVE for Angola. Average trade-weighted duties for other countries in 1994 include Botswana (12.8 percent AVE), Namibia (0.51 percent AVE), South Africa (6.6 percent AVE), Zambia (7.7 percent AVE), and Côte d'Ivoire (3.0 percent AVE).

Trade in Major Commodities

The major U.S. commodity exports to and imports from Sub-Saharan Africa are shown at the 6-digit level in tables 2-6 and 2-7. In 1994, wheat was the largest single U.S. export to Sub-Saharan Africa, followed by parts for boring or sinking machinery, parts of airplanes or helicopters, and semi- or wholly-milled rice. As noted earlier, food assistance programs play an important role in U.S. exports of wheat, rice, and corn.

Crude oil was the largest U.S. import from Sub-Saharan Africa in 1994, accounting for $8.0 billion, or 66 percent, of U.S. imports from the region in that year. Other important U.S. imports include platinum, oil (not crude), diamonds, ash and residues, and cocoa beans. Excluding cocoa beans, which are not produced in the United States, imports of these commodities reflect a shortage of reserves in the United States and insufficient production for meeting U.S. domestic demand.

Antidumping and Countervailing Duties

Imports from Sub-Saharan Africa are currently the subject of three antidumping orders and one countervailing duty order issued by the Department of Commerce (Commerce), and are also the subject of one ongoing antidumping investigation. The antidumping duty orders apply to importers of furfuryl alcohol from South Africa,[6] low-fuming brazing copper rod and wire from South Africa,[7] and carnations from Kenya.[8] The countervailing duty order applies to imports of carbon steel wire rod from Zimbabwe.[9]

The ongoing antidumping investigation involves imports of standard carbon steel pipe from South Africa. The International Trade Commission (Commission) made an affirmative preliminary injury determination in that investigation in June 1995;[10] Commerce is scheduled to make a

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[6] For notice of the order, see 60 F.R. 32302 (June 21, 1995).
[7] For notice of the order, see 51 F.R. 3640 (Jan. 29, 1986).
[8] For notice of the order, see 52 F.R. 13490 (Apr. 23, 1987).
[9] For notice of the order, see 51 F.R. 29292 (Aug. 15, 1986).
[10] Commission inv. No. 731-TA-733 (Preliminary), *Circular Welded Non-Alloy Steel Pipe from South Africa*; notice of the Commission's preliminary investigation determination was published in the Federal Register of June 28, 1995 (60 F.R. 33428).

Table 2-6
Sub-Saharan Africa: Value of U.S. exports, by major commodity items, 1990-94

(Million dollars)

Schedule B commodity		1990	1991	1992	1993	1994
	Total of items shown	1,502	1,903	2,431	1,958	1,722
100190	Wheat (other than durum wheat), and meslin	118	94	136	297	245
843143	Parts for boring or sinking machinery, nesoi	192	333	333	258	221
880330	Parts of airplanes or helicopters, nesoi	171	173	129	96	114
100630	Rice, semi- or wholly milled, polished etc or not	94	125	114	92	98
847330	Parts & accessories for adp machines & units	40	47	52	58	61
150790	Soybean oil, refine, and fractions, not modified	19	28	29	35	56
880230	Airplane & a/c unladen wght > 2000, nov 15000 kg	74	35	72	51	56
630900	Worn clothing and other worn textile articles	46	53	72	67	56
852490	Recording media for sound	12	20	24	38	55
100590	Corn (maize), other than seed corn	20	33	603	142	53
843149	Parts and attachments nesoi for derricks etc	46	55	36	42	52
870410	Dumpers designed for off-highway use	61	35	38	27	50
847191	Digital process unit with storage, input output un	40	28	44	39	40
071339	Beans nesoi, dried shelled, including seed	15	13	9	11	38
870190	Tractors, nesoi	17	18	17	29	38
842481	Agricultural or horticultural mechanical sprayers	4	6	10	23	37
880240	Airplane & ot a/c unladen weight > 15,000 kg	213	476	385	292	35
381121	Additive for lub oil cont petro/bituminous minoil	34	39	29	20	33
852520	Transmission appr incorporating reception apparats	18	26	34	39	30
870899	Parts and accessories of motor vehicles nesoi	43	30	32	32	29
270112	Bituminous coal, not agglomerated	3	12	20	28	29
190190	Malt extract; flour, meal, milk prod etc nesoi	16	23	13	18	28
843139	Parts for lifting, handlng, loading/unloading machinery nesoi	24	27	35	27	26
847199	Adp mach & unit; magntc//ptcl readers etc, nesoi	7	6	10	28	26
310000	Fertilizers exports only incl other crude mat'ls	36	29	22	35	26
847120	Digital adp mach w central process, in-output unit	13	18	18	21	25
847192	Input or output units for adp machines	23	25	20	18	25
240220	Cigarettes containing tobacco	23	33	25	22	24
870323	Pass veh spk-ig int com rcpt p eng >1500 nov 3m cc	10	18	28	27	24
481131	Paper nesoi, ov150g/m2, bleach, impr or last covr	11	2	([1])	4	24
870130	Track-laying tractors	32	19	19	14	23
290250	Styrene	17	11	10	11	22
852990	Parts,ex antenna, for trsmssn, rdr, radio,tv,etc nesoi	8	15	11	17	21

[1] Less than $500,000.

Note.–Due to rounding, figures may not add to the totals shown.

Source: Compiled by staff of the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

preliminary dumping determination on or before November 15, 1995.[11] An antidumping order may be issued only after both Commerce and the Commission make affirmative final dumping and injury determinations.

[11] Commerce inv. No. A-791-803. Notice of initiation of the Commerce investigation was published in the Federal Register of May 22, 1995 (60 F.R. 27078).

Table 2-7
Sub-Saharan Africa: Value of U.S. imports for consumption, by major commodity items, 1990-94

(Million dollars)

HTS commodity		1990	1991	1992	1993	1994
	Total of items shown	11,737	10,939	11,174	11,222	10,823
270900	Crude oil from petroleum and bituminous minerals	9,018	8,317	8,751	8,617	7,987
711011	Platinum, unwrought or powder	585	443	395	389	498
271000	Oil (not crude) from petroleum and bituminous minerals	314	196	192	400	397
710231	Diamonds, nonindustrial, unworked	227	184	183	236	264
262090	Ash and residues nesoi, containing metals nesoi	68	86	133	124	142
180100	Cocoa beans, whole or broken, raw or roasted	154	211	128	165	123
620520	Men's or boys' shirts, not knit, of cotton	21	20	31	74	114
711021	Palladium, unwrought or in powder form	38	39	46	74	97
090111	Coffee, not roasted, not decaffeinated	102	49	60	53	94
260600	Aluminum ores and concentrates	133	117	92	96	88
711031	Rhodium, unwrought or in powder form	181	364	188	94	85
810510	Cobalt, unwrought	59	80	101	61	85
620342	Men's or boys' trousers etc, not knit, cotton	32	37	46	63	76
170111	Cane sugar, raw, solid form, w/o added flav/color	89	56	39	37	71
710239	Diamonds, nonindustrial, worked	27	28	35	50	70
240120	Tobacco, partly or wholly stemmed/stripped	28	48	103	142	64
261400	Titanium ores and concentrates	42	53	49	75	54
720211	Ferromanganese with over 2 percent carbon	71	40	33	52	47
720230	Ferrosilicon manganese	28	32	31	26	45
750210	Nickel, unwrought, not alloyed	41	30	28	33	43
611020	Sweaters, pullovers ect, knit etc, cotton	29	29	39	39	41
090500	Vanilla beans	33	45	45	42	40
711039	Rhodium, semimanufactured	163	162	159	50	36
620462	Women's or girls' trousers etc not knit, cotton	19	13	23	31	33
470200	Chemical woodpulp, dissolving grades	54	51	47	36	32
720241	Ferrochromium over 4 percent carbon	76	91	72	39	29
721049	Flat-rolled products of iron or nonalloy steel	0	0	22	28	27
410790	Leather of animals nesoi, without hair on	8	9	12	16	27
130120	Gum arabic	11	12	8	6	25
400122	Technically specified natural rubber	28	25	29	23	24
260200	Manganese ores and concentrates	23	31	21	16	23
130214	Vegetable sap & extract of pyrethrum	17	21	16	17	22
811100	Manganese and articles thereof, inc waste and scrap	18	23	18	17	20

Note.–Due to rounding, figures may not add to the totals shown.

Source: Compiled by staff of the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

U.S.-Africa Services Trade

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 by establishing affiliates in foreign markets and selling services through these affiliates. 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 is based 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 enjoy the advantage of being in close proximity to the purchaser of the service. In 1993, cross-border transactions accounted for 53 percent of total U.S. service exports to the world and for 46 percent of total service imports.[12]

Data pertaining to U.S. trade in services with Sub-Saharan Africa are limited. There is a paucity of country-specific detail, and there is a pronounced time lag in terms of data availability. Country-specific detail on cross-border transactions is limited to the United States' largest trading partner in the region, South Africa. Beyond this, data on cross-border transactions are available only for the continent of Africa. The latest year for which cross-border services trade data pertaining to South Africa and to the entire African continent are available is 1993. Country-specific detail regarding sales by African affiliates of U.S. firms is limited to South Africa and Nigeria, and the most recent data series available extends only through 1992. Country-specific information pertaining to sales by U.S. affiliates of African firms is available only for South Africa.

Cross-border Transactions

Cross-border transactions represent the primary means of services trade between the United States and Africa. Africa is a net importer of services from the United States, with the United States recording a services trade surplus with Africa of $699 million in 1993 (figure 2-5).[13]

U.S. cross-border exports of services to Africa amounted to $973 million in 1993, accounting for less than 1 percent of total U.S. cross-border service exports (table 2-8). During 1990-93, U.S. cross-border service exports to Africa increased by an average of 17 percent per year. At $274 million, U.S. cross-border service imports from Africa were also small relative to the total, accounting for barely 1 percent of all U.S. service imports (table 2-9). Cross-border service imports from Africa increased significantly during 1990-91, from $151 million to $293 million, but then fell to $274 million by 1993.

In 1993, the most important U.S. cross-border service exports to Africa were professional services and education services,[14] which accounted for 84 percent of total U.S. cross-border service exports to the African continent (figure 2-6). The largest U.S. cross-border service import from Africa is telecommunication services, consisting primarily of telephone traffic. The relatively large deficit in telecommunication services with Africa, valued at $98 million in 1993, arises because

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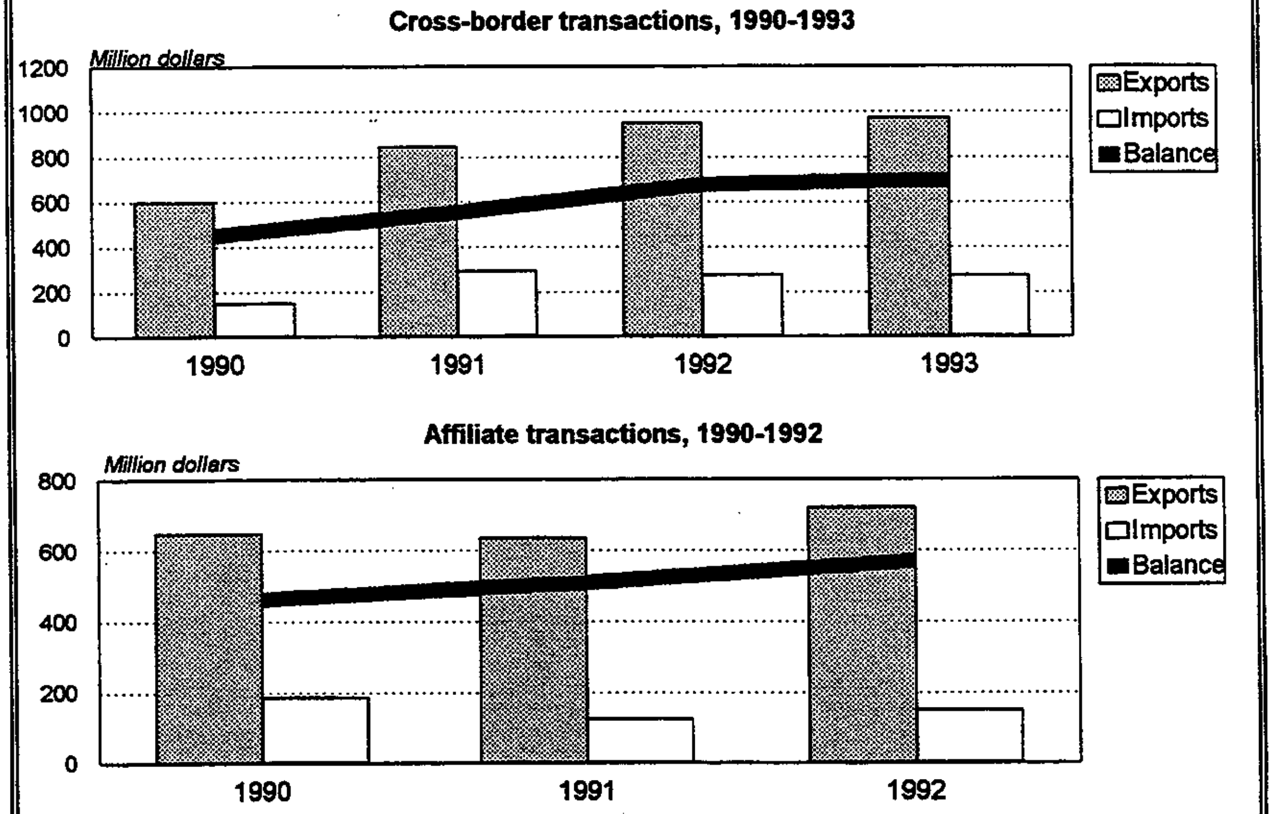
[12] U.S. Department of Commerce, Bureau of Economic Analysis (BEA), *Survey of Current Business*, Sept. 1994, p. 102.

[13] Official data pertaining to cross-border transactions with Africa do not include trade in tourism and transportation services.

[14] The BEA does not report trade in education services with Africa. Data for this region were estimated by USITC staff based on Marianthia Zikopoulos, ed., *Open Doors 1990/1991: Report on International Education Exchange* (New York, NY: Institute of International Education (IIE), 1991), pp. 130-140; Marianthia Zikopoulos, ed., *Open Doors 1991/1992: Report on International Education Exchange* (New York, NY: IIE, 1992), p. 23; Todd M. Davis, ed., *Open Doors 1992/1993: Report on International Education Exchange* (New York, NY: IIE, 1993), p. 18; and Todd M. Davis, ed., *Open Doors 1993/1994: Report on International Education Exchange* (New York, NY: IIE, 1994), p. 32.

Figure 2-5
U.S. trade in services with Africa: Exports, imports, and trade balance



Source: Bureau of Economic Analysis, *Survey of Current Business* (Sept. 1993 and Sept 1994) and *U.S. Direct Investment Abroad, Preliminary 1992 Estimates*, June 1994, tables III: F-17 and F-22.

most calls between the United States and Africa originate in the United States, whose carriers collect fees for the calls and subsequently divide these receipts with foreign carriers. Dividing fees entails making payments to foreign carriers and, therefore, these records are recorded as imports.

South Africa is the largest market for U.S. service exports in Africa. In 1993, South Africa accounted for 17 percent of total U.S. cross-border service exports to Africa (table 2-8). Based on the available data, it appears that education services, construction services, rights to patented industrial processes, and U.S. franchises accounted for 60 to 70 percent of U.S. cross-border exports to South Africa (figure 2-7).

Affiliate/Transactions

The United States also runs a trade surplus with Africa in affiliate sales. In 1992, majority-owned African affiliates of U.S. firms recorded sales totaling $721 million in Africa (table 2-10), while U.S. consumers purchased services valued at $151 million[15] from majority-owned U.S. affiliates of African companies. This resulted in an estimated balance in affiliate transactions of $570 million for 1992 (figure 2-5). Because sales by U.S. affiliates increased by an annual average of 5 percent

[15] Estimated by USITC staff based on data from the U.S. Department of Commerce, BEA, *Foreign Direct Investment in the United States*, Aug. 1994, tables E-15 and E-17.

Table 2-8
Total Africa and South Africa: U.S. cross-border service exports, 1990-93

(Million dollars)

Service	Total Africa				South Africa			
	1990	1991	1992	1993	1990	1991	1992	1993
Royalties and license fees	39	57	48	63	29	35	34	48
Education	241	239	236	260	26	27	26	28
Insurance[1]	1	1	6	5	-5	2	2	2
Telecommunications	91	105	90	92	([2])	([2])	15	17
Professional	228	443	570	553	20	78	70	72
- Advertising services	0	2	3	3	0	([3])	1	1
- Computer services	11	27	45	50	7	23	16	12
- Database services	0	2	4	5	0	1	4	4
- R&D services	3	41	19	36	0	1	([3])	([3])
- Mgmt./Consulting/PR	6	66	87	85	0	5	3	4
- Legal services	3	3	4	6	0	1	2	2
- Construction-related services	84	118	210	203	3	35	28	36
- Industrial engineering	6	33	18	7	2	3	([3])	([3])
- Equipment-related services	109	53	66	49	6	6	14	11
- Other services	7	98	112	108	2	2	2	2
Total	600	845	950	973	([2])	([2])	147	167

[1] Insurance imports are the difference between premiums paid to foreign insurers and claims received by U.S. policy holders. Imports are entered as credits on the balance of payments when claims received by U.S. policy holders exceed premiums paid to foreign insurers.
[2] Data have been suppressed to avoid disclosure of individual company data.
[3] Less than $500,000.

Note–Due to rounding, figures may not add to totals shown.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. International Sales and Purchases of Private Services," ch. in *Survey of Current Business*, Sept. 1994, pp. 98-138.

and purchases from African affiliates declined by an annual average of 10 percent, the U.S. surplus on affiliate transactions increased during 1990-92. The petroleum industry was responsible for the bulk of affiliate sales of services to African consumers (figure 2-6).

Limited information regarding affiliate transactions is reported for South Africa and Nigeria (table 2-10).[16] According to available data, the United States ran a deficit with South Africa, valued at $93 million in 1992. At $128 million, purchases from U.S. affiliates of South African firms alone accounted for 85 percent of all purchases from affiliates originating in Africa in 1992. Reportedly, affiliates of South African firms provide a variety of services to U.S. consumers in the banking, tourism, shipping, and airline industries.[17] In contrast, data indicate that sales by South African

[16] Information pertaining to sales by U.S. affiliates of Nigerian firms is not available.
[17] South African Government official, telephone interview with USITC staff, Washington, DC, June 28, 1995.

Table 2-9
Total Africa and South Africa: U.S. cross-border service imports, 1990-93

(Million dollars)

Service	Total Africa				South Africa			
	1990	1991	1992	1993	1990	1991	1992	1993
Royalties and License Fees	([1])	([1])	([1])	([1])	([1])	([1])	([1])	([1])
Education	([1])	([1])	([1])	([1])	([1])	([1])	([1])	([1])
Insurance[2]	3	-2	([1])	-3	4	-1	-2	-1
Telecommunications	137	202	185	190	([3])	([3])	([3])	([3])
Professional services	11	93	90	87	([1])	3	12	7
- Advertising services	0	([1])	([1])	2	0	0	([1])	1
- Computer services	0	0	([1])	([1])	0	0	([1])	0
- Database services	0	([1])	([1])	([1])	0	0	([1])	([1])
- R&D services	0	12	11	9	0	([1])	1	1
- Mgmt./Consulting/PR	4	16	17	16	0	([1])	2	([1])
- Legal services	([1])	2	2	2	([1])	1	1	1
- Construction-related services	6	18	8	13	0	0	([1])	([1])
- Industrial engineering	([1])	([3])	0	0	0	0	0	0
- Equipment-related services	0	([1])	2	2	0	0	0	0
- Other services	([1])	([3])	48	44	0	2	7	4
Total	151	293	275	274	4	2	10	6

[1] Less than $500,000.
[2] Insurance imports are the difference between premiums paid to foreign insurers and claims received by U.S. policy holders. Imports are entered as credits on the balance of payments when claims received by U.S. policy holders exceed premiums paid to foreign insurers.
[3] Data have been suppressed to avoid disclosure of individual company data.

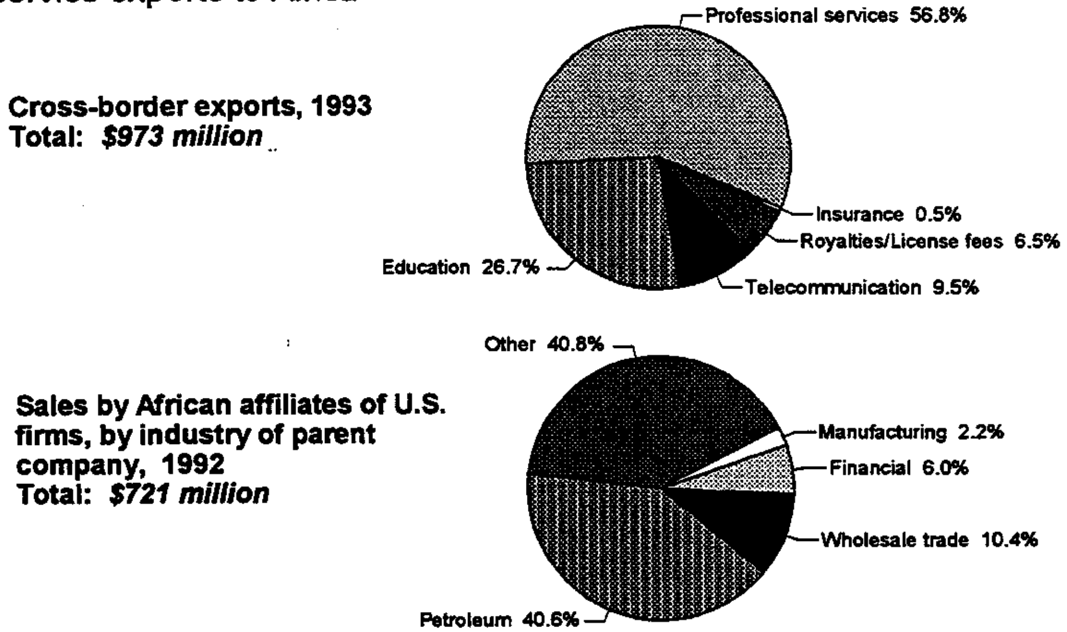
Note–Due to rounding, figures may not add to totals shown.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. International Sales and Purchases of Private Services," ch. in *Survey of Current Business*, Sept. 1994, pp. 98-138.

affiliates of U.S. firms accounted for only 5 percent ($35 million) of total U.S. affiliate sales to Africa.[18] U.S. firms have a larger presence in Nigeria, accounting for 21 percent of total affiliate sales to Africa. The large share of sales to Nigeria were likely accounted for by affiliates of U.S. petroleum firms.

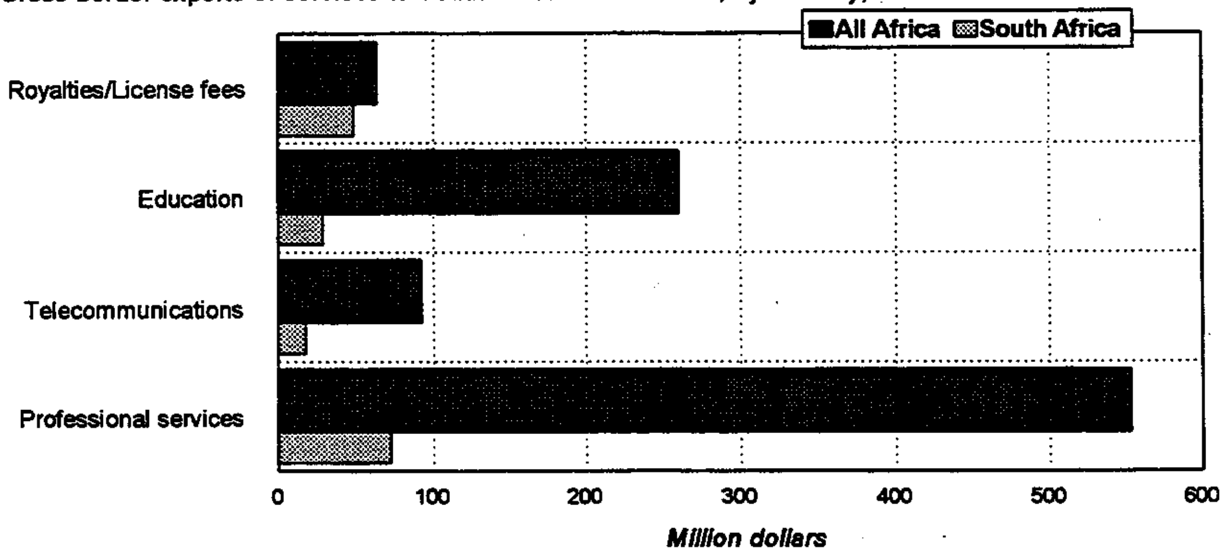
[18] More than half of all U.S. companies with business operations in South Africa withdrew from South Africa following the enactment of the Comprehensive Anti-Apartheid Act of 1986 (CAAA). However, the value of U.S. foreign direct investment in South Africa remained steady between 1984 and 1987. Case studies undertaken by the U.S. General Accounting Office (GAO), which examined the effects of U.S. corporate withdrawals, found that, despite changes in ownership, there was little or no change in the availability of the U.S. companies' products in South Africa. GAO, *South Africa: Summary Report on Trade, Lending, and Investment, and Strategic Minerals*, Report to Congressional Requestors, GAO/NSIAD-88-228, Sept. 1988, pp. 3, 31-32.

Figure 2-6
U.S. service exports to Africa



Source: Bureau of Economic Analysis, *Survey of Current Business*, Sept. 1994 and *U.S. Direct Investment Abroad, Preliminary 1992 Estimates*, June 1994, tables III: F-17 and F-22.

Figure 2-7
Cross-border exports of services to South Africa and all Africa, by industry, 1993



Source: Bureau of Economic Analysis, Survey of Current Business, Sept. 1994, and USITC staff estimates based on Marianthia Zikopoulos, ed., Open Doors 1990/1991: Report on International Education Exchange (New York, NY: Institute of International Education (IIE), 1991), pp. 130-140; Marianthia Zikopoulos, ed., Open Doors 1991/1992: Report on International Education Exchange (New York, NY: IIE, 1992), p. 23; Todd M. Davis, ed., Open Doors 1992/1993: Report on International Education Exchange (New York, NY: IIE, 1993), p. 18; Todd M. Davis, ed., Open Doors 1993/1994: Report on International Education Exchange (New York, NY: IIE, 1994), p. 32.

Table 2-10
U.S. trade with U.S. majority-owned affiliates in Africa, 1990-92

(Million dollars)

	Total Africa			South Africa			Nigeria		
	1990	1991	1992	1990	1991	1992	1990	1991	1992
U.S. Exports	650	637	721	39	35	35	85	117	149
U.S. Imports	187	126	151	178	104	128	(1)	(1)	(1)

[1] Not available.

Source: U.S. Department of Commerce, BEA, *Survey of Current Business*, (Sept. 1993, p. 134; Sept. 1994, p. 152), Foreign Direct Investment in the United States (Aug. 1991, Aug. 1993), tables E-15 and E-17, and U.S. Direct Investment Abroad (Oct. 1992, July 1993, and June 1994) tables III: F-17 and F-22.

U.S. Investment in Sub-Saharan Africa[19]

According to the Department of Commerce, U.S. direct investment in Sub-Saharan Africa amounted to $3.5 billion at yearend 1993. Of this total, $925 million was in South Africa and $527 million in Nigeria. U.S. direct investment in Sub-Saharan Africa is concentrated largely in the petroleum sector, although the position in South Africa is primarily in manufacturing. Other Sub-Saharan African countries with relatively large U.S. direct investment in 1993 include Cameroon ($277 million) and Liberia ($209 million).

U.S. affiliates in Sub-Saharan Africa reported total assets of $12.6 billion in 1992, of which $3.3 billion were in Nigeria and $2.9 billion in South Africa. In 1992, $387 million of U.S. merchandise exports were shipped to U.S. affiliates in Africa, including those in North Africa. The United States imported nearly $4.4 billion from these affiliates in 1992, mostly crude oil.

The United States has bilateral investment treaties (BITs) in place with four countries in Sub-Saharan Africa: Cameroon, Congo, Senegal, and Zaire.[20] These treaties guarantee U.S. investors in these countries that investment terms are no less favorable than those accorded to domestic or third-country investors. The BITs provide for the unconditional repatriation of capital, the protection of intellectual property rights, and for access to international forums of arbitration. The U.S. Government is currently in the process of negotiating a BIT with South Africa,[21] and a double taxation agreement with South Africa is also being negotiated against a background of an internal review of South Africa's tax system.[22]

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[19] U.S. Department of Commerce, International Trade Administration, "U.S.-African Trade Profile," Mar. 1995.

[20] U.S. Department of Commerce official, interview with USITC staff, July 19, 1995.

[21] Regina C. Brown, transcript of the hearing, p. 33.

[22] Ambassador Franklin Sonn, Embassy of the Republic of South Africa, official submission to the USITC, Aug. 2, 1995.

CHAPTER 3: U.S. GOVERNMENT TRADE AND DEVELOPMENT ASSISTANCE PROGRAMS, FYs 1990-94

Overview

This chapter provides information on U.S. government trade and development programs for Sub-Saharan Africa including, when possible, the dollar amounts of such programs on an annual basis during FYs 1990-94. As discussed in this chapter, development assistance includes economic assistance programs operated by or through the U.S. Agency for International Development (USAID), the U.S. Department of Agriculture (USDA), and the U.S. Department of State; military assistance; other agency-specific bilateral assistance; and U.S. contributions to multilateral agencies. Trade assistance includes programs operated through the Export-Import Bank of the United States (Eximbank), the Overseas Private Investment Corporation (OPIC), the Trade and Development Agency (TDA), the USDA, and the U.S. Department of Commerce (Commerce). Additionally, the GSP program, which benefits Sub-Saharan African imports into the United States by providing duty-free access for eligible commodities, is discussed in chapter 2.

The information on dollar amounts of the specific programs represents the value of program activity. For programs that provide assistance through grants and long-term concessional credit, actual U.S. budgetary obligations[1] are used to represent the value of program activity. For programs that provide direct loans at market rates, loan guaranties, and insurance, the value of program activity is represented by the dollar value of such loans, credits, insurance, and other services provided under the programs.[2] The dollar value of bilateral assistance provided by miscellaneous U.S. agencies to Sub-Saharan Africa is reported when possible. However, in some instances, this assistance consisted of bilateral exchanges that were not separately budgeted; or it was commingled with funds provided by USAID, other donors, or by a paid service, in each case rendering the agency component impossible to be separated. U.S. agency funds used to finance the assistance component of contacts with Sub-Saharan African countries are relatively insignificant, compared with other assistance, but these contacts are worth noting because they represent channels of development assistance and the expansion of future economic contacts.

Economic assistance provided by the United States through international financial institutions and United Nations agencies is considered to be indirect because funds are transferred to the international organizations before they are given to various countries. Analysts maintain that it is impossible to identify the exact amount of U.S. contributions to these international organizations that end up as assistance to individual Sub-Saharan countries, thus country-specific information for such assistance is not provided in this report.[3] This situation arises because allocations to specific countries are decided after all donor countries' funding have been turned over to the various United Nations agencies.

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[1] Actual obligations, or program levels, refer to funding levels appropriated by Congress in a given year, after certain legislatively mandated transfers or rescissions, plus unobligated balances carried over from prior years, less unobligated balances carried into subsequent years have been accounted for.

[2] The Credit Reform Act, Public Law 101-508 (104 Stat. 1388-609) has required that amounts be set aside in the U.S. budget to cover the costs of credit subsidies, as well as administrative expenses, for these programs since FY 1992. However, these set asides leverage a much larger level of actual program activity.

[3] U.S. Treasury and USAID officials, interviews with USITC staff, May 2, 1995, and June 19, 1995.

Value of U.S. Development and Trade Assistance, FYs 1990-94, and Trade Effects of Programs

The major channels for U.S. bilateral, multilateral, export, and investment assistance for Sub-Saharan Africa during FYs 1990-94 are summarized in table 3-1. Appropriations for the bulk of the U.S. bilateral and multilateral development assistance programs, as well as the trade and investment programs, are provided through the Foreign Operations, Export Financing, and Related Programs Appropriations Act.[4] Food assistance and agricultural export programs, however, are authorized by the various U.S. Farm bills,[5] with annual appropriations provided through the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Acts. Funding for other miscellaneous agency programs is provided through annual agency appropriation bills.

Budgetary obligations for the principal U.S. bilateral and multilateral assistance programs for Sub-Saharan Africa amounted to an estimated $13.6 billion for FYs 1990-94 as shown below (million dollars):[6]

Development assistance	3,959.5
Food/disaster assistance	3,777.7
Peace Corps	307.7
Other economic assistance[1]	234.0
Military assistance	119.8
Other agency-specific assistance[2]	392.6
Total for bilateral channels	8,791.3
World Bank Group	3,400.0
United Nations programs and agencies	700.0
African Development Bank Fund	653.2
International Monetary Fund[3]	20.0
Global Environmental Facility	25.6
Debt reduction, subsequent to Paris Club agreements	1.0
Total for multilateral channels	4,799.8
Total for all channels	13,591.1

[1] African Development Foundation, Economic Support Fund (ESF), and International Narcotics Control.
[2] U.S. Information Agency, U.S. Department of Energy, USDA, and Interagency Climate Studies Program.
[3] Contribution to the interest subsidy fund of the Expanded Structural Adjustment Facility (ESAF).

[4] For FY 1994, Public Law 103-87, No. 107 (107 Stat. 931).

[5] The Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note) provides the legislative authority for agriculture programs during FYs 1991-95.

[6] The sum includes bilateral and multilateral assistance to Sub-Saharan Africa. Since not all U.S. government agency spending could be ascertained, the amount of aid estimated to be allocated through bilateral channels is likely below its true value. The sum does not include funds used to expand U.S. trade with and investment in the region. Nor does it include funds loaned bilaterally or multilaterally on nonconcessional terms. Assistance provided through multilateral agencies is estimated according to U.S. contributions to such agencies (see details under specific sections, later in this chapter.)

Table 3-1
Sub-Saharan Africa: U.S. development and trade assistance programs, by agencies, FYs 1990-94

Program/Agency	Development Assistance	Trade Assistance	Program Description	Program Activity FY 1990-1994
African Development Foundation	X		Direct assistance to community-based organizations for projects developed and implemented by Africans.	Obligations of $69 million in 20 countries in Sub-Saharan Africa.
U.S. Agency for International Development:				
● Development Assistance	X		Provides assistance for long-term economic development and democratization through the Development Fund for Africa and the general Development Assistance Fund.	Obligations of $3,959.5 million for assistance to agriculture, HIV/AIDs awareness, child survival, family planning, education, small business development, regional integration, and economic policy reform. Specialized accounts made available $152.7 million in private sector Housing Guaranties and $21.3 million in Loan Portfolio Guaranties to micro enterprises and small businesses.
● Economic Support Fund	X		Provides economic assistance based on conditions of special economic, political, or security needs.	$164.5 million obligated for Sub-Saharan Africa.
● International Disaster Assistance	X		Provides non-food emergency assistance in the event of natural and man-made disasters.	$472.3 million obligated for Sub-Saharan Africa. Major recipients included Sudan, Somalia, Angola, Namibia, and Mozambique.
● Public Law 480 Food Assistance (Titles II and III)	X		Provides U.S. agricultural commodities to developing countries on a grant basis to support development projects or emergency feeding.	$1,977.9 million provided under Title II and $389.7 million provided under Title III. Major recipients included Ethiopia, Liberia, Sudan, Somalia, and Mozambique.
U.S. Department of Agriculture:				
● Cochran Training	X		Provides training to benefit agricultural development and increase U.S. agribusiness linkages.	$18,000 obligated in FYs1992-93 to train rice millers from the Côte d'Ivoire. Funds obligated for South African training in FY 1995.

Table continues next page.

Program/Agency	Development Assistance	Trade Assistance	Program Description	Program Activity FY 1990-1994
● Emerging Democracies Program	X		Provides export credit guarantees and technical assistance to eligible countries.	$131,000 obligated for South Africa in FY 1994. Programs for Ghana and Namibia added in FY 1995.
● Export price subsidies		X	Export price subsidies were paid to exporters under the Export Enhancement Program (EEP) and the Dairy Export Incentive Program (DEIP) to discourage U.S. competitor's unfair trade practices.	EEP awards to Sub-Saharan Africa amounted to $253.1 million with South Africa and Senegal the largest recipients. DEIP exports were equivalent to 13,300 tons during 1994.
● Foreign Market Promotion and Technical Support		X	Agricultural trade offices offer market suport; market promotion funds provided to U.S. companies and commodity organizations under the Foreign Market Development (FMD) Program and the Market Promotion Program (MPP).	Agricultural trade offices in South Africa, Kenya, and Côte d' Ivoire. $6.9 million obligated under FMD and $3.4 million under MPP.
● Forestry/ Environment	X		Training, management and education programs in forestry, Peace Corps assistance, and resource conservation.	$1.15 million obligated from Forest Service funds for programs in 22 countries.
● GSM-102/103		X	Provides export credit guarantees for up to 3 years (GSM-102) or 3-10 years (GSM-103) for U.S. agricultural exports.	$121.1 million provided in GSM-102 credits, primarily to Senegal, Zimbabwe, Kenya, and the Côte d'Ivoire.
● Phytosanitary/ Veterinary Programs		X	Certification by Animal and Plant Health Inspection Service (APHIS) to enable exports to the United States. APHIS official posted in U.S. Embassy in Kenya.	Expenses for fruit export certification for South Africa reimbursed by South African fruit export industry, and ostrich/ostrich farm certification reimbursed by Botswana and South African industries.

Table continues next page.

Program/Agency	Development Assistance	Trade Assistance	Program Description	Program Activity FY 1990-1994
● Public Law 480 Title I/Section 416 Food Donations	X		P.L. 480 Title I provides long-term credits for purchases of U.S. agricultural commodities. Local currencies may be used for export/market development or agricultural development in recipient country. Section 416 provides food donations.	Obligations of $211.1 million, primarily to the Côte d'Ivoire, Zimbabwe, Zaire, Sierra Leone, and the Congo under Title I. Section 416 donations amounted to $72.8 million, with Malawi and Mozambique the largest recipients.
U.S. Department of Commerce:				
● Foreign Commercial Offices		X	Commercial offices assist U.S. business gain market access in Sub-Saharan Africa. Various programs to promote U.S. products are offered.	Offices in Côte d'Ivoire, Kenya, Nigeria, and South Africa.
● Enhanced Trade Promotion Program		X	Assists the U.S. business community to identify potential growth sectors.	Activity in South Africa. Costs are recovered from the private sector.
● Market Access and Enhancement of the Commercial Environment		X	Identifies and seeks means to remove impediments to trade and investment.	Activity in South Africa.
● National Oceanic and Atmospheric Administration (NOAA)	X		Technical Assistance	Assisted weather-related and oceanographic projects in Botswana, Cape Verde, Gabon, Nigeria, Senegal, and South Africa. Participated in study on impact of environment on food production in Mauritus.
Debt Reduction	X		Unilateral U.S. forgiveness of debt owed by countries in Sub-Saharan Africa.	During FYs 1990-1993, $1,136 million in debt owed by the region was forgiven by authority of Congress.
Department of Energy	X		Assist electrification in Sub-Saharan Africa.	$2.0 million committed for rural electrification in South Africa in FY 1994. $180,000 committed to renewable energy projects. Cooperation with African Electrification Foundation.
Environmental Protection Agency	X		Technical assistance.	Assistance for waste management removal and drinking water standards. Cooperation with environmental institutions in South Africa.

Table continues next page.

Program/Agency	Development Assistance	Trade Assistance	Program Description	Program Activity FY 1990-1994
Export Import Bank		X	Provides direct loans, loan guarantees, and insurance for U.S. exports.	Exposure in Sub-Saharan Africa as of December 31, 1994, of $3.4 billion. Botswana, Ghana, Lesotho, Mauritius, Namibia, Seychelles, South Africa, Swaziland, and Zimbabwe were only countries eligible for all 6 financing programs as of that date. Benin, Gabon, and Ghana were available for partial support.
Department of Health and Human Services	X		Technical assistance.	Health-related assistance through the Centers for Disease Control and Prevention and the National Institutes of Health in 8 countries. Assistance in child care and family planning in 4 countries.
Multilateral Assistance:				
● International Financial Institutions	X		U.S. contributions support lending for development projects, economic reform, and balance of payments support.	U.S. contributions to the World Bank Group, the African Development Bank Fund, the International Monetary Fund, and the Global Environment Facility for concessional lending to Sub-Saharan Africa are estimated at $4.1 billion.
● Paris Club	X		Debt restructuring by creditor governments under various arrangements.	$1,310.7 million in U.S. debt rescheduled. Debt reduction of about $1 million approved in FY 1994.
● United Nation's Agencies	X		Development assistance through U.S. contributions to various agencies.	U.S. obligations for Sub-Saharan Africa are estimated at $700 million.
Overseas Private Investment Corporation		X	Provides direct loans or loan guaranties for new investments or for modernization of existing production or service facilities.	OPIC support for U.S. projects in Sub-Saharan Africa amounted to $593 million.
Peace Corps	X		Education, agriculture, health, fisheries, and grass roots development. Program variation by country.	$307.7 million obligated for 36 countries in Sub-Saharan Africa.
Science and Technology Cooperation (various agencies)	X		Assists government-to-government cooperation in science and technology.	Bilateral Science and Technology Agreements with 17 Sub-Saharan African countries. Climate change studies funded in 13 countries. Expanded cooperation with South Africa after October 1994.

Table continues next page.

Program/Agency	Development Assistance	Trade Assistance	Program Description	Program Activity FY 1990-1994
U.S. State Department:				
● International Narcotics Control	X		Provides grants for training and purchase of equipment for drug enforcement effects.	Obligations of $0.5 million in Sub-Saharan Africa.
● Military Assistance (with the U.S. Department of Defense)	X		Provides grants for training and finances purchases of U.S. defense articles and services.	Obligations of $119.8 million for Sub-Saharan Africa.
Trade and Development Agency		X	Provides grants to developing and middle income countries to finance U.S. consultancies, technical assistance, training programs, and risk assessment analysis.	$14 million obligated for projects in 21 countries.
Department of Transportation	X		Technical assistance.	Federal Railroad Administration, Federal Aviation Administration, and Federal Highway Administration assistance and cooperation in various projects.
United States Information Agency	X		Assist U.S. foreign policy goals through public diplomacy programs, information programs, and expansion of personal contacts.	Obligations of $383 million in Sub-Saharan Africa.

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

Bilateral assistance represented 65 percent, and multilateral assistance 35 percent of the total amount during FYs 1990-94. Development assistance programs, food assistance, and disaster assistance accounted for the bulk of bilateral assistance (88 percent of total shown) to Sub-Saharan Africa during this period.

The major trade assistance programs provided support to U.S. exports and investment in Sub-Saharan Africa during FYs 1990-94 as shown below (million dollars):

Eximbank exposure (as of December 31, 1994)	3,200.0
OPIC investment support	593.0
USDA Export Enhancement Program awards	253.1
USDA GSM-102 export credits	121.1
TDA grants	13.8
USDA market development and promotion[1]	10.5

[1] Expenditures under the Emerging Democracies Program, the Foreign Market Development Program, and the Market Promotion Program.

Persons testifying at the U.S. International Trade Commission (USITC) July 26 hearing expressed support for Eximbank, TDA, and OPIC programs as vehicles for expanding U.S. exports and investment in Sub-Saharan Africa.[7] However, as shown later in this chapter, the operations of these programs in Sub-Saharan Africa are relatively low, compared with activities in other regions. Because such support is provided directly to the private sector,[8] program levels depend upon the private sector initiating projects, and, additionally, countries must qualify for these programs according to political, legal, and in the case of Eximbank and USDA GSM-102 financing, economic criteria. The limited availability of Eximbank financing based upon such criteria for U.S. exports to countries in Sub-Saharan Africa was cited particularly as a major obstacle to expansion of U.S. exports to the region.[9] The prehearing brief provided by the Corporate Council on Africa (CCA) indicated that OPIC programs in Sub-Saharan Africa should also be expanded.[10]

The objective of bilateral and multilateral economic assistance programs is to contribute to increased long-term economic growth in the recipient country. These programs, however, have the potential to contribute to U.S.-Sub-Saharan Africa trade flows in two ways. First, procurement of goods and services under U.S. bilateral assistance programs is subject to a "Buy America" procurement provision. This provision requires that countries purchasing goods and services under U.S. assistance programs make these purchases from U.S. or recipient-country firms, or from firms in other developing countries.[11] For instance, it is estimated that during 1990-94, 70 to 80 percent

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[7] Corporate Council on Africa (CCA), "Policy Recommendations to Improve Commercial Opportunities in Africa for the U.S. Private Sector," prehearing brief, July 21, 1995.

[8] An exception are TDA grants, which are provided on a government-to-government basis. However, TDA projects are selected based on the potential of such projects to generate increased U.S. exports.

[9] David Miller, transcript of the hearing, pp. 127-8.

[10] CCA, "Policy Recommendations to Improve Commercial Opportunities in Africa for the U.S. Private Sector."

[11] Section 597 of the 1993 Foreign Operations, Export Financing, and Related Programs Appropriations Act, Public Law 102-391 (106 Stat. 1633).

of U.S. expenditures on all bilateral economic assistance programs resulted in purchases of U.S. goods and services.[12]

Purchases of goods and services under the Development Fund for Africa are not subject to these requirements. However, USAID encourages purchases of U.S.-origin goods under assistance projects in Sub-Saharan Africa when feasible.[13] U.S. firms are also able to compete to supply goods and services for projects funded in Sub-Saharan Africa by multilateral agencies.

Second, to the extent that assistance programs help to increase economic growth in recipient countries, a number of studies have shown that such growth usually leads to an increase in imports through higher incomes and production in developing countries.[14] As discussed later in this chapter, USAID Development Assistance, as well as local currencies generated through food assistance programs, has been increasingly used to assist private sector development in Sub-Saharan Africa during FYs 1990-94.

Bilateral Assistance Programs

Economic Assistance

Actual obligations for bilateral economic assistance programs during FYs 1990-94 are shown in table 3-2 and discussed individually.

Development Assistance

Development Assistance (DA) for Sub-Saharan Africa is largely provided through the Development Fund for Africa (DFA), which specifically earmarks a minimum level of development assistance for the region and is administered by USAID. The DFA guidelines first appeared in the conference report accompanying the FY 1988 appropriations legislation and were enacted into law in 1990, becoming Chapter 10 of Part I of the Foreign Assistance Act of 1961.[15] Annual authorizations under the program averaged $800 million during FYs 1990-1995.[16] DA for Africa also includes amounts spent in Africa from USAID's Development Assistance Fund.

The DFA legislation authorizes assistance to Sub-Saharan Africa for a broad range of objectives aimed at facilitating economic development and democratization. Projects financed under this program have included agricultural technology transfer, agricultural market liberalization and agribusiness development, HIV/AIDS awareness, child survival, other health programs, voluntary

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[12] USAID official, telephone conversation with USITC staff, Sept. 18, 1995.

[13] The "Buy America" provision was waived under the DFA because U.S. firms have had difficulty supplying required goods and services to Sub-Saharan Africa. USAID official, telephone conversation with USITC staff, Sept. 22, 1995.

[14] See for example the studies surveyed in Per Pinstrup-Andersen, Mattias Lundberg, and James L. Garrett, *Foreign Assistance to Agriculture: A Win-Win Proposition* (Washington, DC: International Food Policy Research Institute, 1995). This study also notes that in Sub-Saharan Africa, each additional dollar of income from agriculture adds $2 to $3 dollars to the overall economy.

[15] Copson, *Africa: U.S. Foreign Assistance*.

[16] The Administration requested $802 million for DFA budget authority in FY 1996. The House Foreign Operations, Export Financing, and Related Programs Appropriations Bill (H.R. 1868) would reduce this amount in FY 1996 by 34 percent to $528 million.

Table 3-2
Sub-Saharan Africa: U.S. bilateral economic assistance obligations by program,[1] FYs 1990-94

(Million dollars)

Program	1990	1991	1992	1993	1994	Total 1990-94
Development Assistance[2]	612.5	826.3	872.4	821.6	826.7	3,959.5
Food Assistance[3]	447.3	612.8	935.9	674.3	635.1	3,305.4
International Disaster Assistance ..	30.9	40.3	87.6	168.9	144.6	472.3
Peace Corps	59.9	62.8	59.8	62.4	62.8	307.7
Economic Support Fund	28.9	59.3	37.8	22.4	16.1	164.5
African Development Foundation ..	9.0	13.0	13.0	17.0	17.0	69.0
International Narcotics Control	0.1	0.1	0.1	0.1	0.1	0.5
Total	1,188.6	1,614.6	2,006.6	1,766.7	1,702.4	8,278.9

[1] Excludes amounts appropriated to cover the cost of housing credit guaranties and loan guaranties for micro and small enterprises. Also excludes bilateral debt relief during FYs 1990-93, which was not charged to the U.S. budget.

[2] Includes assistance under the Development Fund for Africa and other obligations from the Development Assistance Fund.

[3] Includes food assistance under Public Law 480 Titles I, II, and III, Sec. 416, and emergency food aid.

Source: Facsimile data received from the U.S. Agency for International Development.

family planning, education, small business development, participation of women in development, regional integration, economic policy reform, and donor coordination.

DA for Africa increased from $612.5 million in FY 1990 to a peak of $872.4 million in FY 1992 and then declined during FYs 1993-94 (table 3-2). During FYs 1990-94, assistance for agriculture and natural resource management accounted for 26 percent of Sub-Saharan Africa's Development Assistance, followed by education, (18 percent), health (15 percent), business/financial/trade development assistance (13 percent), and population (9 percent) (figure 3-1). Annual DA expenditures (in nominal terms) on health-related projects (child survival, AIDS, other health), basic education, and democracy/human rights increased during this period, while annual expenditures in other sectors either stayed constant or declined (table 3-3). According to its report on the DFA, USAID is the leading donor in Africa in family planning, HIV/AIDS prevention, training/capacity building, and in support for democracy and human rights.[17] Another growth area for DA in Sub-Saharan Africa is microenterprise[18] support, obligations for which increased from $14.0 million in FY 1990 to $29.3 million in FY 1994.[19] Microenterprise programs operate in 17 countries in Sub-Saharan Africa.[20]

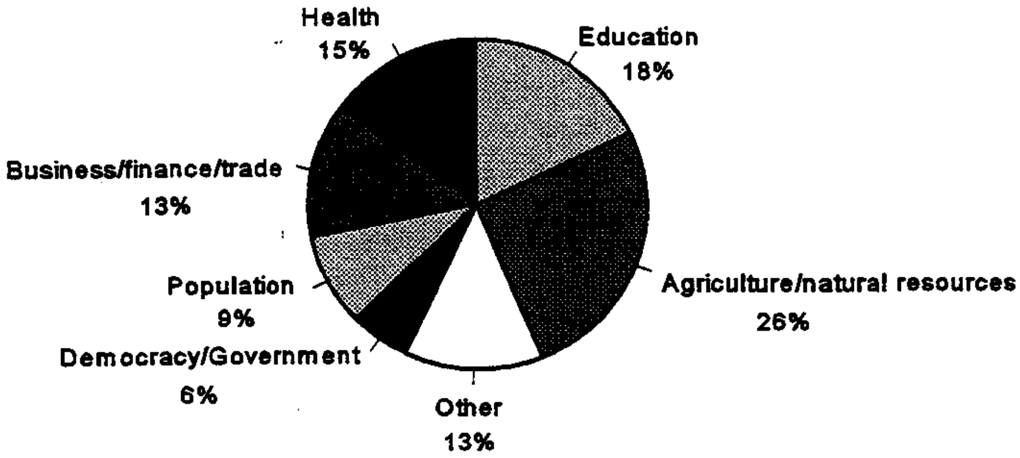
[17] USAID, *Africa: Growth Renewed, Hope Rekindled*, p. 11.

[18] Microenterprises are non-crop-producing businesses that have 10 or less employees.

[19] Facsimile data supplied by USAID, Office of Microenterprise Development, July 31, 1995. Funds provided through the ESF and Public Law 480 local currencies also support microenterprise programs.

[20] Botswana, Cape Verde, Chad, Gambia, Ghana, Guinea, Kenya, Malawi, Mali, Mozambique, Namibia, Niger, Senegal, South Africa, Swaziland, Uganda, and Zimbabwe.

Figure 3-1
U.S. development assistance expenditure shares for Sub-Saharan Africa by sector, average FYs 1990-94



Source: Calculated by the staff of the International Trade Commission on the basis of facsimile data supplied by the U.S. Agency for International Development.

Table 3-3
Sub-Saharan Africa: U.S. Development Assistance by sector, FYs 1990-94

(Million dollars)

Sector	1990	1991	1992	1993	1994	Total 1990-94
Agriculture/natural resources	199.8	206.6	253.4	188.9	188.8	1,037.5
Education	91.6	171.4	147.8	162.3	145.8	718.9
Health	72.1	117.2	126.6	137.4	131.6	584.9
Population	43.7	75.2	66.1	74.6	82.5	342.1
Bus/Financ'l/Trade Dev	97.2	96.9	131.6	100.8	90.0	516.5
Democracy/Gov/Hm Rts	4.7	20.1	41.8	55.2	95.5	217.3
Infrastructure	42.6	82.6	37.6	26.1	24.7	213.6
Public Sector Admin/Mgt	19.8	26.1	22.9	14.5	13.7	97.0
All other	41.0	30.2	44.6	61.8	54.1	231.7
Total	612.5	826.3	872.4	821.6	826.7	3,959.5

Source: Facsimile data from the U.S. Agency for International Development.

DA obligations for individual countries, shown in table 3-4, indicate that South Africa was the largest DA recipient during FYs 1990-94, followed by Mozambique, Uganda, Mali, Ghana, and Malawi.[21] In 1993, USAID announced that bilateral assistance programs would end by the end of FY 1996 in nine countries in Sub-Saharan Africa: Botswana, Burkina, Cameroon,[22] Cape Verde, Chad, Côte d'Ivoire, Lesotho, Togo, and Zaire.[23]

Table 3-5 provides a summary of USAID development assistance programs in selected countries. Both political and economic events played a role in shaping USAID's assistance to these countries during FYs 1990-94. During this period, national multiparty elections took place in three countries (South Africa, Mozambique, and Malawi) establishing new democratic governments. National elections are scheduled to take place in late 1995 or 1996 in Ghana, Zambia, and Uganda. In South Africa, USAID programs have focused on assisting that country's democratic government to restructure and achieve greater social and economic equity among the majority population.[24] USAID programs in Mozambique have been targeted toward helping that country recover from a drought during 1991/92 and from a 30-year civil war, as well as supporting its democracy.

In addition to country-specific obligations, USAID's Southern Africa Initiative provides assistance to 11 countries in this region: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. Activities under this initiative have assisted the: building of democracy, developing indigenous business and natural resource management, restructuring regional transport and telecommunications, and strengthening agricultural research institutions. Additionally, USAID began operation of the Southern Africa Enterprise Development Fund (SAEDF) in FY 1995. The SAEDF provides financial services, such as debt, equity, guaranteed financing, and related technical and managerial services to small and medium-sized enterprises in the Southern Africa region.[25]

USAID launched the Greater Horn of Africa Initiative in FY 1995. This project is intended to provide assistance to 10 African countries--Burundi, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Somalia, Sudan, Tanzania, and Uganda. The objective of the initiative is to alleviate food insecurity in the region by designing a coordinated approach to providing food aid and promoting economic development in the region.[26]

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[21] DA obligations in FY 1994 contained country-specific earmarks for 36 Sub-Saharan countries: Benin, Botswana, Burkina, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Eritrea, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mozambique, Namibia, Niger, Nigeria, Sao Tomé and Principe, Senegal, Sierra Leone, Somalia, South Africa, Swaziland, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

[22] The USAID bilateral mission in Cameroon was closed as of December 1994. As a result, all bilateral assistance programs were terminated or incorporated into regional or centrally funded programs. Remaining regional programs provide assistance for family planning, AIDS prevention, and child health and survival. U.S. Department of State cable, message No. 005255, prepared by U.S. Embassy, Yaounde, June 1995.

[23] The programs will be terminated because the countries are "graduated" and no longer needing development assistance or because the country is a "bad development partner." USAID, *Congressional Presentation*, FY 1996, p. 222.

[24] Ibid.

[25] The fund operates as an independent, nonprofit corporation. Andrew Young, former U.S. Ambassador to the United Nations, is the Chairman of the Board.

[26] USAID, *Congressional Presentation*, FY 1996.

Table 3-4
Sub-Saharan Africa: USAID Development Assistance obligations,[1] by countries, FYs 1990-94

(Million dollars)

Country	1990	1991	1992	1993	1994	Total 1990-94
Benin	0.9	19.3	8.7	16.4	20.1	65.4
Botswana	7.8	7.7	8.1	6.3	4.8	34.7
Burundi	19.8	12.5	14.3	15.8	4.5	66.9
Cameroon	20.6	18.4	20.8	8.9	(2)	68.7
Côte d'Ivoire	2.5	6.3	7.1	5.7	0	21.6
Ethiopia	0	1.7	41.2	32.3	32.4	107.6
Ghana	14.3	26.0	30.1	39.9	32.1	142.4
Guinea	13.3	28.8	25.6	22.5	18.4	108.6
Kenya	34.2	24.1	18.5	14.8	17.2	108.8
Lesotho	6.4	10.6	4.9	7.7	2.1	31.7
Madagascar	15.7	10.1	38.5	35.5	27.6	127.4
Malawi	22.2	54.6	20.7	15.0	28.2	140.7
Mali	16.8	32.1	30.2	30.6	34.2	143.9
Mozambique	33.6	52.8	53.0	50.0	33.3	222.7
Namibia	0	7.0	7.5	1.6	12.8	28.9
Niger	16.8	22.7	23.7	14.8	16.1	94.1
Rwanda	11.5	39.5	19.3	3.6	0	73.9
Senegal	36.0	22.0	28.5	19.7	30.9	137.1
South Africa	22.1	38.4	75.6	79.8	130.7	346.6
Tanzania	5.9	36.9	25.5	20.8	19.7	108.8
Uganda	42.1	44.5	41.8	38.2	32.9	199.5
Zambia	4.9	2.6	35.8	18.2	18.8	80.3
Zimbabwe	5.0	10.5	20.0	18.2	15.7	69.4
All other	66.7	83.9	67.4	64.1	61.1	343.2
Southern Africa regional	49.3	49.5	48.9	40.4	46.5	234.6
Africa regional	115.9	142.6	124.4	121.7	103.4	608.0
Total	584.3	805.1	840.0	742.5	743.5	3,715.5

[1] Country totals include only amounts obligated for USAID Africa Bureau programs.
[2] Less than $50,000.

Source: U.S. Agency for International Development, *Congressional Presentation*, various years.

Food Assistance

Public Law 480, otherwise known as the Food for Peace Program, and Section 416(b) of the Agricultural Act of 1949, as amended, are the major U.S. food assistance programs.[27] U.S. food assistance programs were developed to meet a number of objectives, including foreign policy and

[27] Additionally, from time to time, the U.S. Food Security Wheat Reserve has been used to provide food assistance in emergency situations. For example, in May 1991, 300,000 tons of reserve wheat were made available to meet disaster relief needs of Iraqi Kurdish refugees and food emergencies in Sub-Saharan Africa. See Leisl Leach and Charles E. Hanrahan, "P.L. 480 Food Aid: History and Legislation, Programs, and Policy Issues," Congressional Research Service Report for Congress, Apr. 6, 1994.

Table 3-5
Sub-Saharan Africa: USAID Development Assistance programs for selected countries, FYs 1990-94

Country	Assistance for:
Botswana	Support for private sector development and capacity building to establish linkages with U.S. investors and suppliers.
Ghana	Private sector export firms, identification of export markets (including nontraditional exports), small farmer production for export, small handicraft production, environmental protection, primary education quality, family planning, voter registration, election activities.
Malawi	Agricultural sector economic reform, smallholder development, expansion of drought-resistant crops, reduction of infant and child mortality, AIDS/HIV prevention, family planning, development of political parties, civil rights.
Mozambique	Price liberalization, petroleum industry restructuring, agricultural production, agriculturally-related micro enterprises, child health, building democracy.
South Africa	Institutional development, civic education, human rights, trade unions, education, increasing opportunities for South Africa's historically disadvantaged population, including assistance for micro/small and medium black-owned enterprises, primary health care, environmental protection.
Tanzania	Development of rural infrastructure (telecommunications, roads, housing), private sector financial and business development, family planning, AIDS/HIV prevention, water systems management, wildlife management.
Uganda	Development of agricultural products for export to other African markets and the EU, small businesses, microenterprises, farmers and entrepreneurs, education reform, AIDS/HIV prevention, biodiversity management, family planning, building democracy (electoral process reform).
Zambia	Privatization (including sale of public companies to promote market opportunities), strengthening newly-privatized and small/medium enterprises, agricultural sector economic reform (including liberalization of maize pricing), HIV/AIDS prevention, child survival, family planning, improving citizen awareness of rights and strengthening political parties.
Zimbabwe	Grain marketing reform, agricultural technology research and transfer (sorghum and millet), increasing black ownership and investment in businesses, AIDS/HIV prevention, family planning, wildlife management and preservation.

Source: U.S. Agency for International Development, *Congressional Presentation*, FY 1996.

humanitarian objectives, as well as foreign market development for agricultural products. Food assistance is provided to Sub-Saharan Africa on the basis of grants (donations) and long-term credits; donations, however, accounted for about 94 percent of food assistance to the region during FYs 1990-94 (table 3-6).

Public Law 480 consists of six titles, the first three of which contain the foreign food aid programs. Title I, administered by the USDA, provides for sales of U.S. agricultural commodities using long-term concessional credit at about 3 percent interest.[28] Title II is the primary U.S. foreign food donation component of Public Law 480. Title II food programs can be used for development projects or emergency feeding. Development programs provide food aid grants which are implemented by private voluntary organizations (PVOs) or the World Food Program (WFP). Emergency programs respond to short-term unanticipated food shortages and may be implemented by PVOs, the WFP, or on a government-to-government basis. Title III, "Food for Development," provides grants for development activities on a government-to-government basis. Title III programs

[28] Susan B. Epstein, "Foreign Food Assistance: P.L. 480 Budget Facts," Congressional Research Service Report for Congress, Mar. 14, 1995.

Table 3-6
Sub-Saharan Africa: Value of U.S. food assistance by countries and programs, FYs 1990-94

(Million dollars)

Country/program	1990	1991	1992	1993	1994	Total 1990-94
P.L. 480/Title I:						
Angola	0	0	0	0	8.0	8.0
Congo	2.0	2.0	5.0	0	6.0	15.0
Côte d'Ivoire	15.0	10.0	10.0	10.0	15.0	60.0
Ghana	6.0	0	0	0	0	6.0
Kenya	10.0	0	0	0	0	10.0
Madagascar	3.1	0	0	0	0	3.1
Senegal	4.6	0	0	0	0	4.6
Sierra Leone	4.0	5.0	9.4	0	0	18.4
Zaire	12.0	16.0	0	0	0	28.0
Zimbabwe	0	0	40.0	5.0	0	45.0
Other	13.0	0	0	0	0	13.0
Total	69.7	33.0	64.4	15.0	29.0	211.1
P.L. 480/Title II:						
Angola	3.3	15.1	17.4	13.9	45.5	95.2
Burkina	10.5	14.6	11.8	11.1	7.8	55.8
Burundi	0	0	0	0	40.3	40.3
Eritrea	0	0	0	0	24.9	24.9
Ethiopia	172.0	117.2	129.2	58.8	67.1	544.3
Ghana	11.5	6.0	10.5	10.8	8.4	47.2
Kenya	2.3	2.6	10.1	23.7	20.3	59.0
Liberia	28.8	76.3	52.0	48.9	56.4	262.4
Malawi	13.0	10.3	12.2	1.5	8.8	45.8
Mozambique	37.4	21.8	14.9	25.2	16.0	115.3
Rwanda	0.2	0	0	15.8	44.2	60.2
Sierra Leone	1.5	.9	5.7	10.2	10.6	28.9
Somalia	8.0	5.7	38.6	48.7	16.8	117.8
Sudan	25.7	87.3	26.1	47.2	66.3	252.6
Other	51.0	49.6	47.9	49.2	30.5	228.2
Total	365.2	407.4	376.4	365.0	463.9	1,977.9

Table continued on next page.

Table 3-6--Continued
Sub-Saharan Africa: Value of U.S. food assistance by countries and programs, FYs 1990-94

(*Million dollars*)

Country/program	1990	1991	1992	1993	1994	Total 1990-94
P.L. 480/Title III:						
Angola	0	0	0	0	44.7	44.7
Ethiopia	0	0	3.0	36.2	0	39.2
Ghana	0	9.9	0	13.0	8.3	31.2
Guinea	0	10.0	8.0	10.0	9.0	37.0
Kenya	0	10.0	0	0	0	10.0
Mali	0	6.2	2.8	3.3	0	12.3
Mozambique	0	18.9	49.3	15.0	15.0	98.2
Senegal	0	0	18.0	4.0	0	22.0
Uganda	0	0	4.1	6.6	9.4	20.1
Zaire	0	0	7.0	0	0	7.0
Other	0	22.1	45.0	0.9	0	68.0
Total	0	77.1	137.2	89.0	86.4	389.7
Section 416:						
Angola	0	0	8.7	30.1	23.5	62.3
Ethiopia	0	0	9.1	3.4	0	12.5
Ghana	0	9.9	0	13.0	0	22.9
Kenya	0	0	13.9	36.7	12.1	62.7
Malawi	5.9	26.5	96.2	53.1	0	181.7
Mozambique	.8	11.5	72.2	25.9	3.9	114.3
Somalia	1.2	0	12.3	27.2	0	40.7
Sudan	0	25.9	20.5	4.8	0	51.2
Zambia	0	0	37.1	0	0	37.1
Zimbabwe	0	0	68.5	0	0	68.5
Other	4.5	21.5	19.4	11.1	16.3	72.8
Total	12.4	95.3	357.9	205.3	55.8	726.7
All programs:						
Total	447.3	612.8	935.9	674.3	635.1	3,305.4

Source: Facsimile data supplied by the U.S. Agency for International Development.

normally include policy reform conditions and frequently generate local currencies for development projects.[29] Titles II and III are administered by USAID.

Section 416(b) of the Agricultural Act provides for donations of surplus commodities owned by the Commodity Credit Corporation (CCC)[30] to developing countries, emerging democracies, and to both private and intergovernmental relief organizations. In 1992, the USDA resumed management of this program, which for many years had been administered by USAID.[31]

[29] USAID, *Congressional Presentation*, 1996.

[30] The CCC is a federally owned and operated corporation within the USDA that handles all money transactions for agricultural price support and related programs.

[31] Leach and Hanrahan, "P.L. 480 Food Aid."

Food Donations

Public Law 480 Title II food donations were the largest component of U.S. food assistance to Sub-Sahara during FYs 1990-94, amounting to nearly $2.0 billion out of total food assistance of roughly $3.3 billion, or 60 percent, over the FY 1990-94 period (table 3-6). Ethiopia, Liberia, Sudan, Somalia, and Mozambique were the largest recipients of Title II food donations during this period. U.S. food assistance was used to counteract the effects of drought and civil strife in all of these countries. Malawi and Mozambique were the largest recipients of Section 416 donations. Mozambique was also the largest recipient of Title III food grants during FYs 1990-94. The Title III food program in Mozambique has been used to develop and broaden private sector maize markets while at the same time contributing to increased food security for those living in poverty in Maputo, the capital of the country.

Donations of U.S. corn, wheat, and rice accounted for the bulk of U.S. assistance under Public Law 480 Titles II and III and Section 416(b) of the Agricultural Act of 1949 during FYs 1990-94, as shown in the following tabulation of USDA data (1,000 metric tons):

Fiscal year	Total donations	Corn	Wheat	Rice
1990	950.2	210.0	468.7	93.4
1991	1,212.7	191.7	539.5	142.1
1992	1,575.0	762.5	345.3	143.4
1993	2,035.6	1,254.3	276.6	167.9
1994	1,625.3	410.2	358.5	171.6

Under these programs, the share of exports for these commodities ranged from 72 to 83 percent during FYs 1990-1993, and then fell to 57 percent in FY 1994. Other commodities exported under food donation programs include vegetable oil, beans, dry peas, lentils, wheat flour, and nonfat dry milk.

Credit Sales

Public Law 480 Title I credits have largely been used to finance purchases of U.S. rice during FYs 1990-94, with the exceptions of sales to Zimbabwe (corn) and Angola (wheat and wheat flour). Côte d'Ivoire and Zimbabwe were the largest users of such credits during FYs 1990-94 (table 3-6). The 1990 Farm Bill authorized Title I sales agreements for dollars on credit terms or for local currencies, including local currencies on credit terms.[32] Local currencies accumulated through such agreements may be used for such purposes as financing U.S. export market development activities, agricultural development projects, and loans to U.S. businesses and cooperatives operating in recipient countries.

The U.S. Department of State reports that the Public Law 480 Title I program, along with the GSM-102 program discussed later, has aided in the development of the Côte d'Ivoire as a market for U.S. brown rice.[33] The proceeds from the sale of Title I rice in the Côte d'Ivoire were used for agricultural and rural development, mainly to foster production of food crops for local consumption.

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[32] Leach and Hanrahan, "P.L. 480 Food Aid."

[33] U.S. Department of State cable, message reference No. 006138, prepared by U.S. Embassy, Abidjan, June 1995.

Additionally, however, the Government of the Côte d'Ivoire issued licenses to private rice millers for the importation of brown rice in response to the Public Law 480 program. The licensing requirement was ended in January 1995.[34]

The U.S. Department of State reports that receipts from the sale of wheat and wheat flour in Angola will be used to promote food security and agricultural development. The Title I program is expected to continue to FY 1995 with sales at a comparable volume.[35]

Recent Legislation

U.S. implementing legislation under the URAA[36] reaffirms the commitment of the United States to provide food aid to developing countries. The URAA contains a Sense of the Congress provision stating that--

(A) the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries; and

(B) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.[37]

The Senate Agriculture Committee's 1995 Farm Bill legislation includes several amendments to Public Law 480 that would change the operation of Public Law 480 programs. The amendments to Public Law 480 Title I would allow (1) assistance to be provided through private-sector entities, as well as through traditional government-to-government agreements, and (2) agreements to be repayable in less than 10 years while reducing to five years the "grace period" for repayments to begin. Amendments to Title II would allow (1) proceeds from Title II commodity sales to be used in a country different from the one in which the commodities were sold as long as the sale is in the same geographic region, and (2) PVO's to carry out Title II programs in countries where USAID does not have a mission. An amendment to Title IV (General Provisions) would make agricultural trade organizations eligible to carry out Title II nonemergency programs.

International Disaster Assistance

USAID's International Disaster Assistance program provides nonfood assistance in the event of natural and man-made disasters. Expenditures under this program in Sub-Saharan Africa increased almost fourfold during FYs 1990-94, from $31 million to $144 million (table 3-7). Sudan, Somalia, Angola, Rwanda, Mozambique, Ethiopia, and Liberia accounted for the bulk of expenditure in Sub-Saharan Africa under this program during FYs 1990-94. Disaster assistance for Sub-Saharan Africa in FY 1994 was equivalent to 95 percent of USAID's actual obligations for all International Disaster Assistance in that year.[38]

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[34] Ibid.

[35] U.S. Department of State cable, message reference No. 001638, prepared by U.S. Embassy, Luanda, June 1995.

[36] Public Law 103-465, approved Dec. 8, 1994, 108 Stat. 4809.

[37] URAA, Sec. 411(e)(2)

[38] As shown in USAID's *Congressional Presentation*, FY 1996.

Table 3-7
Sub-Saharan Africa: USAID International Disaster Assistance obligations, by countries, FYs 1990-94

(*Million dollars*)

Country	1990	1991	1992	1993	1994	Total 1990-94
Angola	4.1	13.0	9.3	12.4	19.4	58.2
Burundi	0	0	(1)	0	7.1	7.1
Eritrea	0	0	0	(1)	2.8	2.8
Ethiopia	9.9	9.2	6.6	6.8	.9	33.4
Kenya	0	0	1.9	.6	3.7	6.2
Liberia	.8	3.7	7.2	5.4	9.9	27.0
Malawi	(1)	.4	2.2	(1)	(1)	2.6
Mozambique	2.3	1.5	8.4	26.1	6.0	44.3
Namibia	0	0	1.2	.8	(1)	2.0
Rwanda	(1)	(1)	2.2	4.3	39.6	46.1
Sierra Leone	1.3	0	1.0	1.6	3.0	6.9
Somalia	(1)	1.3	26.1	51.6	12.2	91.2
South Africa	.5	0	.6	0	0	1.1
Sudan	11.2	10.5	13.3	47.2	28.5	110.7
Swaziland	0	(1)	.2	1.9	0	2.1
Zaire	(1)	(1)	.7	6.5	11.2	18.4
Other	.5	.5	1.8	1.2	0	4.0
Southern Africa Regional	0	0	4.9	.7	0	5.6
Africa Regional	.2	.2	0	1.8	(1)	2.2
Total	30.8	40.3	87.6	168.9	144.3	471.9

[1] Less than $50,000.

Source: Facsimile data from the U.S. Agency for International Development.

The House Committee on Appropriations has recommended that appropriations for international disaster assistance be increased to $200 million during FY 1996.[39] The Committee also recommends that $100 million in disaster assistance funds be used in Sub-Saharan Africa, in countries such as Sudan.[40]

Peace Corps

The Peace Corps, which currently has over 2,200 volunteers or trainees in Sub-Saharan Africa, has been active in agriculture, education, health, environmental protection, small business development and urban development. Political instability has forced the Peace Corps to withdraw from Liberia, Zaire, and Rwanda in recent years. In FY 1994, it was active in 36 countries, with the largest programs in Mali, Cameroon, Niger, Senegal, and Togo. U.S. obligations for the Peace Corps in the region were $62.8 million in FY 1994. Total funding for Peace Corps programs in FY 1994 was $232 million.

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[39] Report on Foreign Operations, Export Financing, and Related Programs Appropriations Bill, 1996.
[40] Ibid.

Economic Support Fund

The Economic Support Fund (ESF) is an appropriation account for funding economic assistance to countries while serving special U.S. economic, political, and security needs.[41] The USAID manages ESF under the foreign policy guidance of the U.S. Department of State.

Projects financed under this program include the purchase of rights to military bases and access to air and seaports. ESF projects also help finance broader U.S. foreign policy goals such as peacekeeping and support for democratization. The ESF is often disbursed in a multi-donor context. ESF projects are designed to help beneficiary countries restore their external and internal economic equilibrium. For example, the outright purchase of certain rights or services may help the beneficiary country reduce its balance of payments deficit; the use of local manpower for the projects may help reduce its unemployment.

ESF disbursements to the countries of Sub-Saharan Africa amounted to $164.5 million during FYs 1990-94 (table 3-8). FY 1994 obligations of $16.1 million accounted for less than 1 percent of the $2.1 billion total ESF obligations in that year.

African Development Foundation[42]

The African Development Foundation (ADF) provides assistance directly to community-based organizations for projects developed and implemented by Africans. Its support is directed exclusively to the private sector and local communities. Most grants are $70,000 or less. The ADF spent approximately $69 million during FYs 1990-94.

International Narcotics Control[43]

The United States and the Sub-Saharan countries are involved in cooperative efforts to reduce the international traffic in narcotics. As part of this cooperation, the U.S. Government provides training to antidrug enforcement agencies of several Sub-Saharan countries. In addition, upon request, the Bureau of International Narcotics Matters of the U.S. Department of State contributes to the purchase of equipment by Sub-Saharan countries. The following tabulation shows the Bureau's contributions to Sub-Saharan Africa during FYs 1991-94 (1,000 dollars):[44]

Country	Contributions
Côte d'Ivoire	115
Nigeria	75
Ghana	70
South Africa	50
Kenya	40
Cape Verde	35
Zambia	31
Ethiopia	30
Niger	25
Togo	25
Zimbabwe	15
Chad	5
Total	516

[41] USAID, *Congressional Presentation Fiscal Year 1996.*

[42] U.S. Department of State, Africa Interagency Resource Group documents, June 7, 1995; ADF official, interview with USITC staff, July 28, 1995.

[43] U.S. Department of State, facsimile received by USITC staff, July 6, 1995.

[44] Fiscal year 1990 data were no longer available.

Table 3-8
Sub-Saharan Africa: Economic Support Fund assistance, by country, FYs 1990-94

(Million dollars)

Country	1990	1991	1992	1993	1994	Total 1990-94
Angola	0	0	4.4	0	0	4.4
Benin	0	1.4	0.5	0	0	1.9
Botswana	.8	0	0	0	0	.8
Burundi	0	0	0	1.0	0	1.0
Cape Verde	0	1.1	0	0	0	1.1
Chad	2.9	0	0	0	0	2.9
Côte d'Ivoire	7.0	6.0	2.5	0	0	15.5
Djibouti	3.2	4.0	2.0	2.0	1.0	12.2
Eritrea	0	0	0	0	2.0	2.0
Ethiopia	0	0	3.0	0	0	3.0
Ghana	0	0	0	0	1.0	1.0
Liberia	0	0	1.3	0	0	1.3
Mozambique	0	0	0	2.0	3.1	5.1
Namibia	0	10.0	2.2	0	0	12.2
Nigeria	0	0	2.9	0.1	0	3.0
Senegal	0	1.0	3.0	0	0	4.0
Seychelles	3.0	3.3	3.3	1.3	0	10.9
Sierra Leone	0	0	1.0	0	0	1.0
Somalia	0	0	0	0	2.0	2.0
South Africa	10.0	10.0	0	0	3.0	23.0
Uganda	0	0	0	0	1.0	1.0
Zambia	0	19.4	3.0	0	0	22.4
Other	0	.2	1.6	0	.5	2.3
Africa Regional	2.0	2.8	7.0	16.0	2.5	30.3
Total	28.9	59.3	37.8	22.4	16.1	164.5

Note.–Numbers may not add due to rounding.

Source: U.S. Agency for International Development, *Congressional Presentation*, various years.

Credit Programs

USAID credit programs benefiting Sub-Saharan Africa during FYs 1990-94 included the Housing Guaranty program (HG) and the Micro and Small Enterprise Development Program (MSED). The HG program extends loan guaranties to U.S. private investors who make loans to public and private investors in Sub-Saharan African countries. The loan proceeds are used for housing and urban development projects.[45] In FY 1992, a $77.68 million housing program was initiated in Zimbabwe with drawdown over several years, and, in FY 1994, a $75 million HG program was initiated in South Africa.[46]

The MSED program utilizes direct loan and guaranty authority to promote micro and small business development in USAID-assisted countries. Such loans and guaranties encourage financial institutions in recipient countries to extend credit to microentrepreneurs and small businesses. Loan

[45] The borrower in the developing country seeks the most favorable terms available in the U.S. capital market for the loan.

[46] USAID official, telephone conversation with USITC staff, July 25, 1995, and facsimile received on July 25, 1995.

Portfolio Guaranties (LPGs), extended under this program, guarantee up to 50 percent of the principle loss on a portfolio of small business loans and up to 70 percent of the principal loss for micro loans.[47] The following tabulation of USAID data shows the loan portfolio size by country and year for active LPG projects in Sub-Saharan Africa during FYs 1990-94 (1,000 dollars):

Year	Country	Loan portfolio size
1989	Kenya	1,000.0
1990	Kenya	2,000.0
	Nigeria	310.9
	Ghana	2,000.0
1991	Ghana	2,000.0
1992	South Africa	7,000.0
1993	South Africa	2,000.0
1994	South Africa	3,000.0
	Swaziland	1,000.0
	Uganda	1,000.0
Total		21,310.9

Bilateral Debt Relief[48]

During FYs 1990-93, the United States unilaterally forgave $1,136.3 million of concessional debt[49] owed by 19 Sub-Saharan African countries. The following tabulation shows the beneficiary countries and the amount of debt reduction during the 4-year period (million dollars):

Country	Debt reduction
Kenya	187.9
Ghana	179.5
Zambia	172.8
Tanzania	138.8
Nigeria	64.8
Cameroon	61.4
Madagascar	59.0
Zaire	54.1
Mozambique	52.9
Senegal	34.5
Malawi	31.7
Benin	29.8
Uganda	24.9
Côte d'Ivoire	17.9
Togo	7.4
Niger	6.9
Mali	5.1
Guinea	4.5
Burkina	2.4
Total	1,136.3

[47] USAID official, telephone conversation with USITC staff, Aug. 17, 1995, and facsimile received on Aug. 17, 1995.

[48] U.S. Department of the Treasury, facsimile received by USITC staff on June 26, 1995.

[49] Concessional debt refers to debt in the form of old DA and Public Law 480 loans.

The indicated reduction eliminated all the debt owed to the United States by Benin, Burkina, Ghana, and Togo. None of this debt relief, which was agreed to before the end of FY 1991, had any budgetary impact. The Credit Reform Act of 1990 required budget authority for debt forgiveness starting in FY 1992. Since FY 1992, debt restructuring has occurred through the Paris Club, discussed later in this chapter.

U.S. Military Assistance

U.S. military assistance to Sub-Saharan Africa includes (1) international military education and training (IMET) and (2) foreign military financing (FMF).[50] IMET provides grants for visiting students to become acquainted with the U.S. military establishment and procedures. The FMF has provided grants to countries in Sub-Saharan Africa for the purchase of U.S. military equipment and services.[51] The U.S. Department of State, Bureau of Political and Military Affairs coordinates U.S. military assistance to the region.

Total spending on IMET and FMF in Sub-Saharan Africa amounted to $119.8 million during FYs 1990-94 (table 3-9). During FY 1993, the U.S. Department of Defense (DOD) introduced a new form of assistance under the name of "biodiversity." The assistance consisted mainly of shipping military surplus vehicles, camping equipment, and radios to countries for use by game and park rangers in Sub-Saharan countries. The project was discontinued in FY 1994.[52]

In addition to the above-described programs, the U.S. Army, Navy, and Air Force established research and development liaison offices in many African countries during FY 1993. These liaison offices facilitate exchanges between the scientific and engineering communities of the countries in Sub-Saharan Africa and the United States. They also organize visits for representatives of the African host countries at U.S. research and development facilities and professional conferences.[53]

Other U.S. Agency Development Assistance Programs

Bilateral Science and Technology Agreements

The United States has bilateral science and technology agreements with the following Sub-Saharan countries: Botswana, Cameroon, Central African Republic, Côte d'Ivoire, Djibouti, Ethiopia, Gabon, Gambia, Kenya, Madagascar, Mali, Namibia, Nigeria, Senegal, South Africa, Zambia, and Zimbabwe (table 3-10). The U.S. Department of Health and Human Services (HHS), the National Aeronautics and Space Administration (NASA), the Nuclear Regulatory Commission (NRC), the U.S. Geological Survey (USGS) of the U.S. Department of the Interior (Interior), the USDA, and the U.S. Department of State are the immediate parties to these agreements.

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[50] The U.S. Department of State, Bureau of Political Military Affairs, Office of Defense Relations and Security Assistance provided the description of the two programs; facsimile, received by USITC staff on May 1, 1995.

[51] FMF financing is also provided on the basis of commercial loans, but no such loans have been provided to countries in Sub-Saharan Africa.

[52] DOD, Division of International Security official, interview with USITC staff, May 4, 1995.

[53] U.S. Department of State, Bureau of Oceans and International Environmental and Scientific Affairs official, interview with USITC staff, May 3, 1995.

Table 3-9
Sub-Saharan Africa: U.S. military assistance, by countries, FYs 1990-94

(1,000 dollars)

Country	1990	1991	1992	1993	1994	Total 1990-94
Benin	150	98	105	362	99	814
Botswana	1,381	3,204	648	2,269	364	7,866
Burkina	86	171	0	0	0	257
Burundi	227	516	215	340	0	1,298
Cameroon	518	1,442	382	329	100	2,771
Cape Verde	63	2,084	359	173	0	2,679
Central African Republic.	277	430	265	219	0	1,191
Chad	4,176	1,364	880	571	225	7,216
Comoros	133	99	62	137	0	431
Congo	42	246	147	346	109	890
Côte d'Ivoire	652	2,631	335	215	150	3,983
Djibouti	2,245	1,754	43	213	106	4,361
Equatorial Guinea	510	537	90	0	0	1,137
Ethiopia	0	0	0	167	313	480
Gabon	172	393	111	115	0	791
Gambia	162	617	214	1,407	100	2,500
Ghana	171	1,202	469	905	514	3,261
Guinea	610	962	369	291	88	2,320
Guinea Bissau	500	423	250	1,902	102	3,177
Kenya	11,024	718	884	650	288	13,564
Lesotho	68	319	118	131	0	636
Madagascar	549	346	150	1,758	0	2,803
Malawi	2,263	2,461	135	112	125	5,096
Mali	173	248	250	949	134	1,754
Mauritania	425	83	0	0	0	508
Mauritius	0	650	94	65	0	809
Mozambique	0	101	196	205	0	502
Namibia	0	3,214	310	897	220	4,641
Niger	2,202	1,990	1,029	951	200	6,372
Nigeria	102	218	401	139	0	860
Rwanda	236	735	70	675	75	1,791
Sao Tomé & Principe	335	144	243	365	0	1,087
Senegal	2,382	3,594	5,732	3,450	450	15,608
Seychelles	88	422	130	235	0	875
Sierra Leone	407	2,260	165	296	0	3,128
Swaziland	75	131	180	148	0	534
Togo	297	305	0	0	0	602
Tanzania	139	58	160	276	114	747
Uganda	149	220	225	624	128	1,346
Zaire	3,631	5	0	0	0	3,636
Zambia	0	0	384	452	75	911
Zimbabwe	237	1,346	630	1,453	241	3,907
All other countries	0	0	0	0	186	186
Organization of African Unity	0	0	500	0	0	500
Total	36,857	37,741	16,930	23,792	4,506	119,826

Source: U.S. Department of State, facsimile data received by USITC staff, September 18, 1995.

Table 3-10
Sub-Saharan Africa: U.S. Bilateral Science and Technology Agreements effective at yearend 1994

Country	Description of the agreements	The year in which the agreements became effective	U.S. agencies involved
Botswana	Cooperation in global seismic research	1986	USGS[1]
Cameroon	Cooperation in earth sciences	1978	USGS
CAR	Cooperation in seismic research	1978	USGS
Côte d'Ivoire	Cooperation in earth sciences and in the development of seismographic network	1986	USGS
	Cooperation in HIV/AIDS-related medical research	1990	HHS[2]
Djibouti	Cooperation in earth sciences	1993	USGS
Ethiopia	Cooperation in earth sciences	1994	USGS
Gabon	Cooperation in earth sciences	1994	USGS
	Seismological data exchange	1994	USGS
Gambia	Use of air fields for emergency landings	1988	NASA[3]
Kenya	Cooperation in biomedical sciences	1979	HHS
Madagascar	Cooperation in earth sciences, remote sensing and information analysis	1994	USGS
Mali	Cooperation in earth sciences	1994	USGS
	Scientific data exchange	1994	USGS
Namibia	Cooperation in earth sciences	1994	USGS
	Broadband digital seismograph station	1994	USGS
Nigeria	Cooperation in biomedical science and in general health	1980	HHS
Senegal	Maintenance of a tracking station	1981	NASA
	Ecological monitoring	1993	USGS
South Africa	Cooperation in earth sciences and seismography	1994	USGS
	Cooperation in matters of nuclear regulations	1994	NRC[4]
Zambia	Cooperation in earth sciences	1994	USGS
	Establishments of broadband digital seismograph station	1994	USGS
Zimbabwe	Umbrella science and technology agreement[5]	1980	DOS
	Cooperation in earth sciences	1993	USGS
	Cooperation in agricultural sciences	1991	USDA[6]
Regional	Famine early warning remote sensing projects	1987	USGS
	Investigation of mineral potential in the horn of Africa	1993	USGS

[1] USGS = U.S. Geological Survey, Department of the Interior.
[2] HHS = U.S. Department of Health and Human Services.
[3] NASA = National Aeronautics and Space Administration.
[4] NRC = Nuclear Regulatory Commission.
[5] General cooperation agreement to be used as framework for other agreements. It involves U.S. funding up to $750,000.
[6] USDA = U.S. Department of Agriculture.

Source: U.S. Department of State (DOS), Bureau of Oceans and International Environmental and Scientific Affairs.

Country Studies Program[54]

The Country Studies Program (CSP) is an interagency program developed as a part of the U.S. Government's commitment to the United Nations Framework Convention on Climate Change. Its purpose is to provide technical assistance and financial support for climate change studies in developing countries and in the transition economy countries. The following U.S. agencies participate in the program: Commerce, the Department of Energy (DOE), the Environmental Protection Agency (EPA), HHS, Interior, NASA, the National Science Foundation (NSF), the Smithsonian Institution, USDA, and the U.S. Department of State.

During FYs 1993-94, the total budget for this program was $25 million, of which approximately one-fourth ($6.25 million) was spent on studies in Sub-Saharan Africa. Studies have been performed on the following countries: Botswana, Ethiopia, Gambia, Côte d'Ivoire, Kenya, Malawi, Mauritius, Mozambique, Nigeria, Tanzania, Uganda, Zambia, and Zimbabwe. In addition to providing benefits to the recipient countries and to the international community, these studies also help identify export opportunities for U.S. producers of environmental technology products.

Cooperation with South Africa

U.S.-South Africa cooperation in science and technology has expanded significantly since the end of Apartheid. In October 1994, a large U.S. science and technology mission visited South Africa. Officials from DOD, DOE, EPA, HHS, Interior, the National Institute of Standards and Technology (NIST), and the National Oceanic and Atmospheric Administration (NOAA) from Commerce, NRC and the U.S. Department of Transportation (DOT) made up the delegation.[55]

A number of cooperative science and technology efforts were instituted as a result of this contact. DOD developed joint projects with the South African defense research establishments. DOE developed cooperative programs in energy and environmental issues. HHS created a cooperative relationship to exchange information and to assist in control and prevention of diseases and in biomedical research. Interior established a cooperative relationship in researching biological diversity and ecology and in planning natural resource information systems and management of conservation areas. NIST established cooperation in standardization and in the exchange of information pertaining to fundamental and applied sciences. NOAA established cooperation with South African counterparts in climate research, forecasting, meteorology, oceanography, and remote satellite sensing. DOT made arrangements to exchange information in the areas of rail, port, and highway systems. Additionally, according to the U.S. Department of State, the United States has agreed to consider financial support for the destruction of test facilities for weapons systems, the development of which is prohibited under the guidelines of the Missile Technology Control Regime.

U.S. Department of Agriculture

The USDA has a history of technical assistance, training, research, and scientific exchange with African countries. Many departmental activities are funded on a reimbursable basis, with the majority of requests originating from USAID, although services agreements have also been signed

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[54] U.S. Environmental Protection Agency and U.S. Department of Energy officials, interviews with USITC staff, July 19 and 20, 1995.

[55] U.S. Department of State, Bureau of Oceans and Environmental and Scientific Affairs official, interview with USITC staff, May 3, 1995.

with the World Bank, the African Development Bank, and, in a few cases, with agricultural ministries in Sub-Saharan Africa.

USDA technical assistance activities during FYs 1990-94 included agricultural research and extension projects undertaken by the Cooperative State Research Education and Extension Service, formerly the Extension Service, in 1990 and 1991 in Kenya, Malawi, Nigeria, and Somalia. Total funding of $262,318 was provided by USAID and the World Bank. With funds provided by USAID and the Government of the Gambia, the National Resources Conservation Service, formerly the Soil Conservation Service, established a Soil and Water Management Unit under the Ministry of Agriculture and Natural Resources. The program, initiated in 1978, ended in 1991. During 1990-91, funding totaled $145,000. Forest Service (FS) programs in Sub-Saharan Africa during 1990-94 amounted to $1.953 million, of which $1.149 million was FS funding and the remainder contributed by USAID. FS programs included training, management and education programs, a sister forest program, Peace Corps forestry program support, resource conservation programs, and remote sensing training.

Additionally, the Cochran Middle Income Fellowship Program, administered by the Foreign Agricultural Service, provides training to senior and mid-level specialists, managers and technicians from middle income and emerging democracies. The purpose of this program is to (1) assist foreign agricultural development and (2) strengthen U.S. agribusiness linkages. During FYs 1992-93, the Côte d'Ivoire participated in this program, during which it spent approximately $18,000 to train Ivoirian rice millers to more efficiently mill U.S. brown rice.[56] The Cochran program also received $300,000 from USDA's Emerging Democracy Program (discussed later in this chapter) in December 1994 to provide training for up to 30 South Africans for 3-6 weeks in the United States in various areas related to agriculture and nutrition.[57]

Commerce/National Oceanic and Atmospheric Administration[58]

NOAA conducted a diverse set of activities in Sub-Saharan Africa during FYs 1990-94. NOAA installed ground equipment in Botswana and Gabon; it set up advanced technology satellite-linked tide gauges in Cape Verde, Nigeria, and Senegal; it exchanged scientific information with Senegal and South Africa; and, it provided access to several Sub-Saharan countries to data from NOAA's satellites. It cooperated with Nigeria's Institute for Oceanography and Marine Research and with South Africa's Weather Bureau. NOAA and South African agencies have been jointly operating the Hartebeesthoek Very Long Baseline Interferometry Station in Johannesburg.

NOAA has participated in USAID-financed projects to improve the conditions for food production in Cape Verde, Burkina, Gambia, Guinea, Mali, Mauritania, Niger and Senegal. It also participated in a project jointly financed by EPA and DOE to study the impact of worldwide environmental changes on food production in Mauritius.

Under the Voluntary Cooperative Program of the World Meteorological Organization, NOAA provided support for development of meteorological services in a number of Sub-Saharan African

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[56] U.S. Department of State cable, message reference No. 006138, prepared by U.S. Embassy, Abidjan, June 1995, and USDA official, telephone conversation with USITC staff, Sept. 19, 1995.

[57] USDA official, telephone conversation with USITC staff Aug. 3, 1995.

[58] Section is based on information submitted by NOAA to USITC staff on March 25, 1995.

countries.[59] Under the auspices of the International Civil Aviation Organization, NOAA cooperated with Senegal to help develop the country's aviation-related meteorological services.

Department of Energy[60]

In FY 1994, the DOE engaged in a joint program with the South African Financing and Implementation for Renewable Energy (SAFIRE) program to foster rural electrification in South Africa; the DOE committed $2 million for the program.

The DOE established linkages with the Renewable Energy for African Development (REFAD) program, representing a subsidiary group of the U.S. Export Council for Renewable Energy. REFAD is designed to help in the electrification of Botswana, Ghana, Côte d'Ivoire, Lesotho, Malawi, Namibia, and South Africa. The DOE funded $180,000 of the joint program. Under the REFAD program, in cooperation with Texas Southern University and the U.S. Historically Black Colleges and Universities (HBCU), the DOE hosted a 5-week intensive course on the development of renewable energy sources for African energy professionals from Botswana, Lesotho, South Africa, and Malawi.

The DOE also began to cooperate with the African Electrification Foundation, a U.S. nonprofit organization dedicated to training African energy professionals. The training efforts encompass major technical and managerial issues in the transmission and distribution of electricity.

Environmental Protection Agency

The EPA provided technical support to a number of U.S. development programs benefiting Sub-Saharan Africa. For example, it participated in waste management and pesticides removal in Niger. In 1994, the agency began to lay the foundations for increased cooperation with the environmental protection institutions of South Africa. In November 1994, the EPA held a seminar on drinking water standards in Nairobi, Kenya, for environmental protection officials from Ethiopia, Kenya, Malawi, Mozambique, Seychelles, Tanzania, Uganda, Zambia, and Zimbabwe.

Health and Human Services[61]

HHS has helped several Sub-Saharan countries deal with critical health issues. The Centers for Disease Control and Prevention, and the National Institutes of Health assisted Botswana to control tuberculosis; Kenya, Mali, and the Congo to control malaria; Zimbabwe to control cholera and dysentery; and Ghana, the Côte d'Ivoire, Kenya, and Uganda to control the HIV infection. In Ghana, Nigeria, Togo, and Rwanda, the HHS provided technical assistance and operational support and training in child care and family planning. The HHS provided post doctoral fellowships to scientists from several countries of Sub-Saharan Africa. It also provided epidemiological support in connection with a variety of U.S. and international programs designed to help the region.

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[59] Botswana, Burkina, Cameroon, Cape Verde, Comoros, Congo, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Mali, Mauritania, Mozambique, Niger, Nigeria, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Zambia, and Zimbabwe.

[60] HHS, facsimile received by USITC staff, July 10, 1995; DOE officials, interview with USITC staff, July 18, 1995.

[61] HHS, facsimiles received by USITC staff, June 16 and 26, 1995.

National Science Foundation[62]

Although the NSF has not provided direct assistance to Sub-Saharan Africa, it has helped to enhance scientific and technological capacity in countries where its research activities support U.S. scientists. During the past 5 years, the NSF supported U.S. research in such fields as archeology (Ethiopia), climate (Kenya), geology (Namibia), biodiversity (Madagascar), engineering (Nigeria) and conservation biology (Zambia).

Smithsonian Institution[63]

The Smithsonian has no resources in its core funding (public and private) for projects in Sub-Saharan Africa, but it is engaged in a broad range of activities in the region. During 1990-94, Smithsonian scholars researched tropical biology, terrestrial and marine ecology, anthropology, and ethnography in several Sub-Saharan countries, including Botswana, Cameroon, Ghana, Kenya, South Africa, and Zimbabwe. The Smithsonian, which houses one of the world's largest collections of African art, maintains close relations with museums in the Sub-Saharan region. It purchases African art products for sale in its museum shops and helps train African museum staff as opportunity and funding permit.

Department of Transportation

Three agencies of the DOT have provided assistance to Sub-Saharan Africa: The Federal Railroad Administration (FRA),[64] the Federal Highway Administration (FHWA),[65] and the Federal Aviation Administration (FAA).[66] USAID and multilateral organizations financed the bulk of assistance rendered, but DOT used some of its own budget to complement this funding. Contacts between DOT and Sub-Saharan African countries are not classified clearly as U.S. assistance when DOT performs a service for payment by the Sub-Saharan countries.

In FY 1990, the FRA participated in a World Bank-USAID funded study on the economic viability and potential development of railroads in the countries of the Southern Africa Development Coordination Conference (SADCC).[67] During FYs 1991-1993, following completion of this study, an FRA engineer traveled several times to Mozambique to give advice, and FRA officials were the primary point of contact for visiting railroad officials from that country. An FRA engineer also visited Mozambique, Namibia, Zimbabwe and South Africa in FY 1993 in connection with a USAID assistance project to purchase new equipment for Mozambique.

In October 1994, the FHWA participated in a conference on road maintenance in Zambia which included a large number of Sub-Saharan countries. The FHWA and South African highway authorities exchanged several visitors during FY 1994. The increasingly close contact with the South

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[62] NSF official, interview with USITC staff, June 28, 1995.
[63] The Smithsonian Institution, facsimile received by USITC staff, July 11, 1995.
[64] FRA official, interview with USITC staff, May 9, 1995.
[65] FHWA official, interview with USITC staff, May 9, 1995.
[66] FAA official, interview with USITC staff, May 2, 1995.
[67] Angola, Botswana, Lesotho, Namibia, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe. The SADCC was changed to the Southern African Development Community (SADC) in 1992 and now includes South Africa (see chapter 6).

African highway authorities led to the signing of a Memorandum of Understanding between the two parties in May 1995, facilitating an exchange of information on highway technology.

The FAA assisted Mozambique in evaluating the country's civilian aviation infrastructure, including air traffic control and air navigation facilities, in FY 1991. Additionally, in FY 1993, it assisted Madagascar in an assessment of the country's air space system management, airport operations, air navigation facilities, pilot certification and training, airworthiness and training, and operations of the national carrier, Air Madagascar.

During FYs 1990-94, individuals from a number of Sub-Saharan African countries[68] received training on a wide variety of activities and subjects, including aviation maintenance, commercial helicopter pilot licensing, and business administration and legal training, from or through the FAA. The national governments involved paid most of the expenses; USAID and the International Civil Aeronautics Organization made the remaining payments.

United States Information Agency[69]

The United States Information Agency (USIA) supports U.S. foreign policy goals through public diplomacy, information programs, and the expansion of personal contacts around the world. During the period under review, the USIA built and maintained contacts with political, economic, academic, media and civil institutions in Sub-Saharan Africa. It held a series of regional media workshops in Sub-Saharan countries, focusing on economic and political reporting and broadcast management. Through the USIA's regional network, activities spanned all of the Sub-Saharan region. The agency was particularly active in South Africa, where it made a recognized contribution to transition to majority rule, and in Nigeria. The USIA spent $383 million during FYs 1990-94 on its programs in Sub-Saharan Africa.

Multilateral Assistance

International Financial Institutions

The World Bank Group

The World Bank Group is comprised of the International Bank for Reconstruction and Development (IBRD) and its affiliates, the International Development Association (IDA), the International Finance Corporation, and the Multilateral Investment Guarantee Agency. Although the common objective of all these institutions is to help raise the standard of living in the developing countries, analysts consider only the activities of the IBRD and IDA that provide development capital and related services under concessional terms to be development assistance.

During FYs 1990-94, total commitments by the IBRD and the IDA to Sub-Saharan Africa amounted to $16,953 million.[70] Based on its weighted average share of 20.3 percent in the two organizations, the United States was responsible for about $3.4 billion of their combined total

[68] Botswana, Burkina, Côte d'Ivoire, Eritrea, Ethiopia, Ghana, Kenya, Lesotho, Mozambique, Niger, Nigeria, Gambia, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Togo, Tanzania, Uganda, Zaire, Zambia, and Zimbabwe.

[69] United States Information Agency, facsimile received by USITC staff, July 19, 1995.

[70] World Bank, *The World Bank Annual Report 1994* (Washington, DC: World Bank, 1995) p. 86.

commitment to the region during the period.[71] Of the total lending, 25.0 percent went to infrastructure and urban development, 15.8 percent to agriculture, 16.7 percent to human resources development (education, health, and population), 12.5 percent to industry and finance, 8.6 percent to energy, 2.4 percent to public sector management, and 18.8 percent to multisector projects.[72] In a descending order, the following Sub-Saharan countries received the largest commitments from the IBRD and the IDA during fiscal years 1992-94: the Côte d'Ivoire, Zambia, Ghana, Uganda, and Tanzania.[73]

The Global Environment Facility (GEF) co-finances environmental protection projects with the IBRD. During FYs 1990-94, the United States contributed 20.9 percent to GEF funds. During this period, $122.5 million was spent in Sub-Saharan Africa; thus the United States may be credited with $25.6 million of this total.[74]

African Development Bank Group

In addition to a number of all-African financial institutions, the African Development Bank Group (AFDBG) includes two mixed African-non-African financial institutions, the African Development Bank (AFDB) and its soft loan affiliate, the Africa Development Fund (AFDF). Although the United States supported both institutions, the bulk, about 95 percent, of its contributions, went to AFDF during FYs 1990-94. The total amount of support extended by the AFDB and the AFDF amounted to $10.7 billion FYs 1990-94. Based on its 6.1-percent weighted share in the two organizations, the United States may be credited with $653.2 million of this support.[75] Nigeria, the Côte d'Ivoire, Zimbabwe, Gabon, and Ethiopia were the largest borrowers during FYs 1990-94.

International Monetary Fund

The International Monetary Fund (IMF) provided significant balance of payments support to the economies of Sub-Saharan Africa through both conventional and concessional means. Conventional support, extended through the General Resources Account, consisted of stand-by credits, compensatory and contingency financing facility credits, and extended fund facility credits. At the end of 1994, the combined total of outstanding credits to Sub-Saharan Africa on these accounts amounted to $2.7 billion. In addition, roughly $1.1 billion was outstanding from Sub-Saharan borrowers to two discontinued facilities that were financed by borrowings from IMF

[71] The United States has a share of 17.14 percent in the IBRD and 20.86 percent in the IDA. The average shown in the text was obtained by weighting these two numbers by 16.1 percent and 83.9 percent, the relative shares of the IBRD and the IDA, respectively, in extending assistance to Sub-Saharan Africa during FYs 1990-94.

[72] Assembled from data published in *The World Bank Annual Report 1994*, p. 80. Shares do not add up to 100.0 percent because of rounding.

[73] World Bank official, interview with USITC staff, June 20, 1995.

[74] U.S. Department of the Treasury, Office of Multilateral Development Banks, facsimile received by USITC staff, June 6, 1995.

[75] The United States has a share of 5.9 percent in the AFDB and of 6.7 percent in the AFDF. The average shown in the text was obtained by weighting these two numbers by 69 percent and 31 percent, the relative shares of the AFDB and the AFDF, respectively, in extending assistance to Sub-Saharan Africa during FYs 1990-94.

members. Since one-fourth of all IMF lending is financed by drawings on the U.S. quota, the United States might be credited for roughly $950 million of the total $3.8 billion.

The IMF provided concessional balance of payments support to Sub-Saharan countries through the Structural Adjustment Facility (SAF) and the Enhanced Structural Adjustment Facility (ESAF). At the end of 1994, total SAF loans outstanding to the region amounted to $875 million, and total ESAF loans amounted to $2.7 billion. During FYs 1990-94, the U.S. Congress appropriated a total of $40 million in contributions to the ESAF's interest subsidy account for Sub-Saharan Africa. Since Sub-Saharan Africa received roughly one half of all ESAF loans during this period, the United States ESAF contribution for Sub-Saharan Africa could be considered to be $20 million.

United Nations

Among the United Nations (UN) agencies, the Food and Agriculture Organization (FAO), the World Health Organization (WHO), and the United Nations High Commissioner for Refugees are the most active in Sub-Saharan Africa. The United Nations Development Program, the United Nations Children's Fund, the International Fund for Agricultural Development, the United Nations Population Fund, and the Protection of the Global Environment Fund are the most important UN programs in the region. Some U.S. contributions through the UN may be considered direct contributions since they are earmarked exclusively for countries in Sub-Saharan Africa. These are the United Nations Education and Training Program for South Africa, the United Nations Trust Fund for South Africa, and the United Nations Institute for Namibia. Based on the U.S. contributions to UN program agencies that provided development assistance to Sub-Saharan Africa, the United States provided an estimated annual $140 million per year to the region, amounting to $700 million during FY 1990-94.[76]

Paris Club

The United States participated in the Paris Club multilateral rescheduling agreements for nonconcessional debt[77] owed by Sub-Saharan African countries during FYs 1990-94. Under the Paris Club process, creditor country governments jointly agree on the amounts and terms of rescheduling, which are designed to maximize repayment. Following the conclusion of an agreement in the multilateral framework, each creditor country seeks agreements with each individual debtor country on the details of rescheduling. The following tabulation shows the breakdown of the $1.3 billion that the United States rescheduled for the countries of the region during the period under review (million dollars):

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[76] U.S. State Department analyst, interview with USITC staff, July 12, 1995.

[77] This debt refers to Eximbank loans, USDA GSM loans, DOD loans for military sales, and Housing Guaranty credit.

Country	Rescheduled debt
Nigeria	387.0
Zaire	367.0
Zambia	185.0
Côte d'Ivoire	109.0
Mozambique	48.7
Guinea	46.0
Cameroon	42.0
Ethiopia	20.0
Kenya	19.5
Tanzania	19.0
Gabon	16.0
Congo	13.0
Senegal	9.7
Niger	8.9
Mauritania	6.8
Benin	4.0
Central African Republic	4.0
Sierra Leone	2.1
Madagascar	2.0
Uganda	1.0
Total	1,310.7

Rescheduling debt does not have a budgetary impact. Only debt forgiveness incurs costs to a creditor country. During FY 1994, the United States joined other industrialized countries in forgiving debt subject to negotiations at the Paris Club.[78] With the FY 1994 appropriation from the U.S. Congress, the United States was able to join other Paris Club creditors in providing 50 percent reduction of nonconcessional debt under the "Enhanced Toronto Terms." The Central African Republic, Niger, and Senegal were the first beneficiaries of the new system. Debt reduction for the three countries had a budgetary impact of $1.0 million in FY 1994.

In December 1994, the United States participated in the negotiations for the new Paris Club debt terms. The new, so-called "Naples Terms" allow creditors to provide 50 or 67 percent debt stock reduction on a case-by-case basis.[79] The agreement did not have any impact on the FY 1994 budget.

Export and Investment Programs

The Export-Import Bank of the United States[80]

Eximbank provides assistance to U.S. exporters through export loans, loan guaranties, and export credit insurance. Much like a private commercial bank, Eximbank assumes direct risks from its transactions; thus, by law, it must have a reasonable assurance of repayment. To qualify for

[78] See 1994 appropriations for foreign operations, export financing, and related programs, 108 Stat 1608, 1648, Aug. 23, 1994.
[79] USAID, facsimile received by USITC staff, Aug. 4, 1995.
[80] Unless otherwise indicated, this subsection is based on a facsimile, received by USITC staff from the Eximbank on April 6, 1995.

Eximbank support, a country must be sufficiently creditworthy; that is, it must be able to generate, either through exports or through borrowing, sufficient levels of convertible currency reserves to allow its importers to pay their U.S. vendors.

At the end of 1994, 9 countries in Sub-Saharan Africa were eligible for all Eximbank programs, and 3 others were eligible for some programs. In addition to the countries listed in table 3-11, Benin was available for partial support, and Namibia and Swaziland for full support. These three countries did not receive any Eximbank exposure during 1990-94. Additionally, Eximbank support for two countries, Sudan and Nigeria, was legally prohibited.[81] Among the 36 countries that received Eximbank support at one time or another during 1990-94, 35 of them were not available for routine Eximbank support as of December 31, 1994.

Despite these limitations, Eximbank exposure (the dollar sum of outstanding loans and loan guarantees) is relatively important for Sub-Saharan Africa, considering that Sub-Saharan Africa accounts for about 1 percent of U.S. exports. On December 31, 1994, Eximbank's exposure in Sub-Saharan Africa was $3.2 billion, or 6.2 percent of its worldwide exposure of $51.6 billion (table 3-11).

The extent of delinquency on Eximbank loans and loan guarantees underlines the adversity of economic conditions in Sub-Saharan Africa. As of December 1994, 19 countries of the region were delinquent on Eximbank credits. The delinquency on credits extended to Sub-Saharan markets accounted for 65.2 percent of total delinquency on Eximbank credits.

According to testimony at the USITC hearing, the inability of Eximbank to provide trade financing places U.S. companies at a disadvantage to foreign competitors who can obtain such financing from their governments.[82] In Angola, for example, which has not received Eximbank coverage since the mid 1980s, it is reported that Eximbank cover for petroleum-related U.S. exports would significantly increase trade in petroleum-related services and equipment, as well as alter the source mix of Angolan imports in favor of the United States.[83]

In countries where economic conditions disallow routine functioning, Eximbank is allowed to support (1) private sector borrowers with a strong record of independent access to private international capital markets; (2) private projects that are insulated effectively from government involvement and able to generate convertible currency earnings though offshore payments and/or escrow mechanisms; and (3) long-range aircraft leases, when the airline's country of registry is a signatory to international conventions protecting aircraft property rights. A recent example of such

[81] On August 12, 1993, the Administration determined that "Sudan is a country which has repeatedly provided support for acts of international terrorism." (58 F.R. 52523). Subsequently, Congress included a prohibition on extension of U.S. development and other forms of economic assistance to the country in the Foreign Operations, Export Financing, and Related Programs Appropriation Act for FY 1994. On April 1, 1994, the Administration determined that Nigeria's counter-narcotics performance was inadequate. (For details, see U.S. Department of State, "International Narcotics Control Strategy Report," Apr. 1, 1994). Under existing statutory provisions, such a determination is sufficient to enjoin a country from obtaining U.S. development and other forms of economic assistance. (U.S. Department of State, Bureau of International Narcotics Matters, official interview with USITC staff, May 16, 1995).

[82] David Miller, transcript of the hearing, p. 128.

[83] U.S. Department of State cable, message reference No. 001638, prepared by U.S. Embassy, Luanda, June 1995.

Table 3-11

Sub-Saharan Africa: Export-Import Bank (Eximbank), exposure[1] as of Dec. 31 of 1990-94, delinquency[2] and availability for further support[3] at yearend 1994

(1,000 dollars)

Country	Exposure on Dec. 31 1990	1991	1992	1993	1994	As of Dec. 31, 1994 Delinquency	Availability
Angola	96,668	77,321	44,015	30,597	25,302	1,538	No
Botswana	60	0	0	0	18	0	Yes
Burkina	6,016	11,959	8,500	6,486	4,633	0	No
Cameroon	42,776	105,497	128,213	127,847	98,116	744	No
Cape Verde	15	0	0	0	0	0	No
Central A.R.	8,267	8,789	9,388	6,323	6,335	5,331	No
Chad	0	0	0	0	5,435	0	No
Congo	19,364	19,509	20,576	15,488	15,412	9,889	No
Côte d'Ivoire	200,718	211,242	217,889	214,816	229,935	0	No
Djibouti	150	0	0	0	0	0	No
Ethiopia	23,555	0	0	0	0	0	No
Gabon	88,105	93,186	82,230	74,464	78,923	22,103	P.A.
Ghana	39,805	36,852	26,964	22,955	13,270	0	Yes
Guinea	9,847	9,776	9,939	9,842	9,196	1,128	No
Kenya	95,779	92,244	111,382	131,189	91,080	14,275	No
Lesotho	1,700	1,742	1,428	1,071	714	0	Yes
Liberia	9,364	9,606	10,362	10,088	8,851	5,121	No
Madagascar	27,036	27,219	32,582	32,555	26,204	17,021	No
Malawi	0	4,652	4,652	10,000	0	0	No
Mauritania	7,436	6,628	6,803	6,826	6,851	125	No
Mauritius	9,402	11,692	10,556	9,402	6,137	0	Yes
Mozambique	41,164	44,511	44,795	46,961	49,223	8	No
Niger	6,359	6,888	7,303	6,897	7,029	33	No
Nigeria	1,102,176	863,682	980,269	936,277	912,069	228,292	S
Rwanda	0	2,322	1,625	1,161	1,989	0	No
Senegal	2,021	1,531	1,580	1,497	1,615	3	No
Seychelles	0	0	0	0	860	0	Yes
Sierra Leone	20,324	19,626	18,902	16,255	13,795	0	No
South Africa	0	0	94,517	253,505	213,434	0	Yes
Sudan	47,588	47,777	49,453	29,652	29,697	40,433	S
Togo	97	348	24	26	21	25	No
Tanzania	25,651	27,858	29,555	29,494	29,523	3,975	No
Uganda	16,746	14,005	18,978	10,235	7,370	0	P.A.
Zaire	1,054,687	1,125,003	1,176,225	980,631	991,665	739,767	No
Zambia	129,010	136,001	146,196	149,848	153,367	8,698	No
Zimbabwe	172,915	167,879	163,895	216,159	141,241	0	Yes
Total	3,304,801	3,185,345	3,459,796	3,388,547	3,179,310	1,098,509	

[1] Exposure = Authorization of all forms of support minus repayment.

[2] Arrears in the repayment of principal.

[3] Yes = Available for all 6 types of financing: short, medium, and long-term, for both private and public buyers of U.S. goods and services; No = Not available for any of the 6 types for economic reasons; P.A. = Not available for at least one of the 6 types for economic reasons; S = Support is legally prohibited.

Source: Eximbank.

off-routine support by the Eximbank was the use of PTA Africa, an East African international development bank, as an obligor on loans to borrowers in Malawi and Tanzania.

Overseas Private Investment Corporation[84]

The OPIC, a self-sustaining U.S. Government agency, provides investment information, financing, and political risk insurance for U.S. investment in countries eligible for its support. OPIC finances new investments or the modernization of existing production or service facilities through both 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 the following types of political risk: currency inconvertibility, expropriation, and political violence.

During FYs 1990-94, OPIC support for projects in Sub-Saharan Africa amounted to $593 million, with support extended in FY 1994 higher than in any of the previous years (table 3-12). In FY 1994, OPIC assistance to Sub-Saharan Africa amounted to $236.5 million, or 5.5 percent of worldwide OPIC assistance of $4.3 billion. Oil industry projects in Congo and Nigeria received the largest support during FYs 1990-94. At the end of FY 1994, five countries in Sub-Saharan Africa were ineligible for OPIC support because of legal and/or political reasons.

In contrast to Eximbank procedures, poor economic conditions do not make a country ineligible for OPIC support since the investment risk falls primarily on the investing U.S. firm. Adverse economic conditions tend to be reflected in a relatively low incentive for U.S. firms to invest and, consequently, seek OPIC support, although support is available in principle.[85] The CCA, however, has suggested that OPIC's role in supporting private sector investment in Sub-Saharan Africa could be expanded by providing more resources to the agency, allowing it to take greater risks on financing projects, and by allowing it to create such financing mechanisms as venture capital funds to assist small business investments.[86]

Trade and Development Agency[87]

The TDA provides grants for feasibility studies and consultancies undertaken by U.S. firms, as well as other technical assistance, training programs, risk-assessment, and project planning services. TDA programs in Sub-Saharan Africa, as in other regions, assist U.S. firms by identifying major development projects that offer large export potential and by funding U.S. private sector involvement in project planning. Similar to OPIC, TDA excludes countries from support based only on legal and/or political reasons.

TDA's obligations in Sub-Saharan Africa amounted to $2.8 million in FY 1994, or about 2.4 percent of its worldwide FY 1994 obligations of $67 million. Table 3-13 shows TDA activities in Sub-Saharan Africa during FYs 1990-94. Total TDA obligations in Sub-Saharan Africa during that period amounted to $13.8 million.

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[84] This subsection is based on OPIC annual reports for FYs 1990-94.

[85] It has been noted that the scope of OPIC coverage is limited in countries such as Gabon, whose currency, the CFA franc, is freely convertible with the French franc. U.S. Department of State cable, message reference No.001971, Libreville, June 1995.

[86] CCA, prehearing brief, July 21, 1995.

[87] This subsection is based on TDA annual reports for FYs 1990-94.

Table 3-12
Sub-Saharan Africa: Overseas Private Investment Corporation (OPIC) assistance,[1] by countries and activities, FYs 1990-94

Years	Activity	Assistance
		Million dollars
1990:		
Botswana	Hotel, clay brick, tile manufacturing	5.4
Gambia	Fishing vessels	0.8
Ghana	Gold mining	5.8
Kenya	Banking, communications system.	3.2
Nigeria	Banking, beverage product	50.1
Sudan	Banking	4.5
	Total	69.8
1991:		
Côte d'Ivoire	Gold mining	4.3
Equatorial Guinea	Gas condensate production facility	13.1
Ghana	Banking, gold mining, securities house	2.0
Nigeria	Banking	1.2
Swaziland	Technology transfer	3.3
	Total	23.9
1992:		
Cameroon	Oxygen cylinder, filling plants	0.7
Ghana	Vehicle distributorship.	0.5
Guinea	Road construction, bauxite mining	10.3
Kenya	Bottle manufacturing	2.7
Mozambique	Seafood processing	2.3
Nigeria	Oil storage	75.0
Sierra Leone	Rutile mining and processing	15.0
Tanzania	Hotel, construction and operation	15.0
Zambia	Banking	8.3
Zimbabwe	Ore processing	17.6
Regional	Aerial spraying	2.7
	Total	150.1
1993:		
Botswana	Tourism	2.0
Equatorial Guinea	Petroleum production	52.0
Ghana	Gold mining	53.6
Kenya	Banking	5.1
	Total	112.7
1994:		
Congo	Oil production	150.0
Côte d'Ivoire	Coffee processing	3.3
Guinea	Agricultural export company	1.7
Kenya	Banking	2.6
Madagascar	Telephone system.	9.0
Malawi	Hybrid seed distribution	6.8
Mauritius	Gasoline distribution	8.1
Mozambique	Road construction	1.2
Nigeria	Banking	12.8
South Africa	Laundry centers, battery sales and distribution	22.0
Tanzania	Gasoline distribution	15.0
Zimbabwe	Hybrid seed distribution	4.0
	Total	236.5

[1] Finance and insurance.

Source: OPIC.

Table 3-13
Sub-Saharan Africa: Trade and Development Agency assistance by countries and activities, FYs 1990-94

Years	Activity[1]	Obligation
		(Dollars)
Benin		
1993	Power plant (DM)	24,470
	Power plant (FS)	200,000
	Total	224,470
Botswana		
1990	Coal-fired power plant (FS)	250,000
1992	Coal-fired power plant (FS)	100,000
	Total	350,000
Cameroon		
1990	Aluminum production (FS)	80,000
	Total	80,000
Congo		
1990	Gas condensation (FS)	330,000
	Total	330,000
Côte d'Ivoire		
1990	Hotel renovation (FS)	280,000
1993	Lubricant recycling (FS)	100,000
	Total	380,000
Eritrea		
1994	Sugar production (DM)	17,500
	Total	17,500
Gabon		
1990	Container transportation (FS)	275,000
1993	Container transportation (TA)	34,000
	Total	309,000
Ghana		
1990	Soybean production (FS)	300,000
	Bid evaluation (TA)	9,530
	Power generation (DM)	24,000
1991	Refinery modernization (FS)	420,000
1993	Sugar production (FS)	184,000
	Cylinder production (DM)	17,160
	Chocolate production (DM)	22,575
1994	Chocolate production (FS)	285,700
	Coastal protection (DM)	2,500
	Bus manufacturing (OV)	29,962
	Total	1,295,427
Guinea		
1993	Telephone system upgrade (DM)	2,500
	Telephone system upgrade (FS)	80,000
1994	Refrigeration warehousing (DM)	2,500
	Refrigeration warehousing (FS)	35,000
	Total	120,000
Kenya		
1990	General power generation (TA)	34,533
1992	Sugar production (FS)	300,000
1992	Electricity generation (FS)	406,000
	Total	740,533

Table continued on next page.

Table 3-13--Continued
Sub-Saharan Africa: U.S. Trade and Development Agency assistance by countries and activities, FYs 1990-94

Years	Activity[1]	Obligation
		(Dollars)
Mali		
1992	Telecommunication modernization (FS)	275,000
1994	Customs service (DM)	2,500
	Customs service (FS)	104,000
	Total	381,500
Mozambique		
1993	Transportation (TA)	150,000
	Aluminum production (DM)	22,903
1994	Sugar production (FS)	264,250
	Total	437,153
Nigeria		
1990	Aircraft maintenance (FS)	463,000
	Cement plant (DM)	1,000
1992	Air traffic control (FS)	105,000
	Sugar production (TA)	100,000
	Sugar production (FS)	175,000
1993	Library development (TA)	80,000
	Telephone system (DM)	4,603
	Total	928,603
Rwanda		
1991	Sugar production (FS)	297,000
	Total	297,000
Senegal		
1991	Iron ore production (FS)	250,000
1994	Hotel (DM)	2,500
	Total	252,500
South Africa		
1993	Penicillin production (DM)	24,958
	Penicillin production (FS)	450,000
1994	Housing (OV)	69,200
	Telecommunications (OV)	75,000
	Aviation (OV)	37,757
	Bakery goods production (DM)	2,500
	Bakery goods production (FS)	40,000
	Aluminum production (FS)	2,500
	Aluminum production (DM)	630,000
	Total	1,331,915
Swaziland		
1993	Road transportation (OV)	44,000
	Telephone system development (DM)	2,500
	Total	46,500
Tanzania		
1993	Power generation (DM)	17,581
	Power generation (DM)	4,975
	Power generation (FS)	150,000
	Coal mining (FS)	480,000
	Total	652,556

Table continued on next page.

Table 3-13–Continued
Sub-Saharan Africa: U.S. Trade and Development Agency assistance by countries and activities, FYs 1990-94

Years	Activity[1]	Obligation
		(Dollars)
Uganda		
1990	Food processing (DM)	48,700
1991	Ethanol production (FS)	240,000
1993	Hydroelectric energy (DM)	20,567
	Hydroelectric energy (FS)	564,000
	Total	873,267
Zambia		
1990	Water supply (DM)	10,998
1992	Water supply (FS)	675,000
1993	Hydroelectric energy (FS)	620,000
	Total	1,305,998
Zimbabwe		
1993	Water transportation (TA)	982
	Ammonia manufacturing (DM)	21,450
1994	Power generation (DM)	2,500
	Power generation (FS)	350,000
	Total	374,932
Regional		
1990	Francophone trade conference (TS)	290,000
	Regional earth station (FS)	24,500
1991	World Bank consultation (G)	250,000
	Mining technology (OV)	145,000
	Telecommunications trade forum (OV)	175,000
1992	African Development Bank (G)	200,000
	Railway development (OV)	149,000
	Aeronautical systems (FS)	520,000
	Sugar industry (T)	148,000
	Telecommunication officials' trade forum (OV)	36,900
	World Bank consultations (G)	300,000
1993	World Bank consultations (G)	300,000
	Aeronautical system (TA)	17,838
	Electric power industry (OV)	14,000
	Communications (OV)	43,100
	Library development (OV)	94,900
1994	Sugar industry (DM)	23,433
	Energy sector (TA)	59,685
	Chemical industry (OV)	45,000
	Automotive industry (OV)	93,600
	Electric utility (OV)	136,000
	African Development Bank, telecommunications (DM)	2,500
	Total	3,068,456
	Grand total	13,797,310

[1]Activities are classified in the following main forms: Definitional missions (DM); feasibility studies (FS); technical assistance (TA); orientation visits (OV); grants (G); training (T); and technical symposium (TS).

Source: U.S. Trade and Development Agency.

According to testimony presented at the USITC hearing, the activities of the TDA have been beneficial in facilitating U.S. exports to Sub-Saharan Africa.[88] As an example of TDA benefits, the U.S. Department of State reported that, following TDA and OPIC assistance in Ethiopia, an American firm provided the winning bid to construct a sugar-processing factory to Ethiopia.[89] Similarly, the U.S. Department of State reports that, following a TDA orientation visit to the United States, there has been strong interest from the Senegalese National Power Company for U.S. technology in this area.[90]

Export Credits for U.S. Agricultural Exports-GSM-102

Export credit guarantees for U.S. agricultural commodities were provided to Sub-Saharan Africa under USDA's GSM-102 program.[91] Under this program, the CCC guarantees repayment of private commercial credit for up to 3 years for exports of eligible agricultural commodities. The program allows foreign buyers to purchase U.S. agricultural commodities from private U.S. exporters, with U.S. banks providing financing to the importers' banks on commercial terms. To be eligible for the program, the country and its financial institutions must meet political, legal, and economic criteria established by the CCC.

The value and quantity of shipments to Sub-Saharan Africa under the GSM-102 program during FYs 1990-94 are shown in table 3-14. The Côte d'Ivoire, Senegal, and Zimbabwe were the primary users of this program in Sub-Saharan Africa. Credits were used by these countries primarily for purchases of rice, cotton, and corn. The U.S. Department of State reports that an attempt was made to assist the only major wheat importer in Malawi to purchase U.S. wheat (rather than French or German), but the attempt was unsuccessful when it was determined that Malawi's banks were ineligible for the program.[92] U.S. exports to Sub-Saharan Africa under the GSM-102 program amounted to about 0.4 percent of the value of shipments under the program in FY 1994.

The GSM-102 was changed by the USDA in FY 1994 to allow countries in Sub-Saharan Africa to be grouped into regions (e.g., the West Africa region). Under this change, the purpose of which is to promote increased use of the program, banks in individual countries are approved as regional banks. These banks, in turn, can issue letters of credit for U.S. agricultural exports to countries in the region, but such exports are no longer limited to the country in which the bank resides.[93]

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[88] David Miller, transcript of the hearing, p. 127.

[89] U.S. Department of State cable, message reference No. 005351, prepared by U.S. Embassy, Addis Ababa, June 1995.

[90] U.S. Department of State cable, message reference No. 07259, prepared by U.S. Embassy, Dakar, June 1995.

[91] Another USDA export credit program, GSM-103, which covers credit longer than 3 years to 10 years, was not used by Sub-Saharan countries during FYs 1990-94.

[92] U.S. Department of State cable, message reference No. 003146, prepared by U.S. Embassy, Lilongwe, June 1995.

[93] USDA, "USDA Extends GSM-102 Credit Guarantees to West Africa for Fiscal 1995," PR-110-94.

Table 3-14
Sub-Saharan Africa: U.S. agricultural exports under the GSM-102 Export Credit Guarantee Program, by countries, FYs 1990-94

(Million dollars)

Country	Product	1990	1991	1992	1993	1994	Total 1990-94
Angola	Poultry	0	0	3.0	1.6	0	4.6
Côte d'Ivoire	Rice	0	0	0	9.0	0	9.0
	Milk powder	0	0	0	2.0	0	2.0
Ghana	Soymeal	0	0	.3	.4	0	.7
	Corn	0	0	.2	0	0	.2
	Wheat	0	0	0	1.4	0	1.4
Kenya	Corn	0	0	5.8	4.4	0	10.2
Senegal	Rice	6.6	11.2	10.5	13.2	7.9	49.4
	Milk powder	0	0	.2	0	0	.2
	Soyoil	0	0	0	3.0	2.3	5.3
Zimbabwe	Cotton	0	0	0	13.1	0	13.1
	Wheat	0	0	0	4.5	0	4.5
	Corn	0	0	20.0	0	0	20.0
West Africa	Soy oil	0	0	0	0	.1	.1
	Milk powder	0	0	0	0	.4	.4
	Total	6.6	11.2	40.0	52.6	10.7	121.1

Source: Facsimile data from the U.S. Department of Agriculture.

Agricultural Export Price Subsidy Programs

U.S. agricultural export price subsidy programs include the Export Enhancement Program (EEP), the Dairy Export Incentive Program (DEIP) and the Cottonseed Oil and Sunflower Oil Assistance Programs (COAP and SOAP). EEP awards for exports to Sub-Saharan Africa during FYs 1990-94 were largely for wheat, wheat flour, and vegetable oil as shown in the following tabulation of USDA data:

Commodity	Quantity *(1,000 mt)*	Award value *(Million dollars)*
Wheat/wheat flour:		
1990	414.3	18.4
1991	546.0	22.2
1992	275.2	13.4
1993[1]	2,877.1	104.6
1994[1]	1,721.2	92.9
Vegetable oil:		
1993[2]	15.0	1.5
1994[2]	4.0	.1

[1] Includes EEP awards to South Africa of 661.9 thousand metric tons of wheat in FY 1993 and 186.3 thousand metric tons of wheat in FY 1994.
[2] All awards are to Senegal.

U.S. EEP awards to Sub-Saharan Africa in FY 1994 accounted for 8.8 percent of the total quantity of exports of wheat and wheat flour under the EEP in FY 1994 and 9.6 percent of the total value of EEP awards for these commodities.[94] The U.S. Department of State reports that the EEP has benefited U.S. wheat exporters in that South African purchases of U.S. wheat would not have existed without the program.[95] The U.S. Department of State also reports that the EEP has significantly increased U.S. exports of wheat flour to Djibouti.[96]

No exports were made during FYs 1990-94 to Sub-Saharan Africa under the SOAP and COAP programs.[97] Exports of milk powder and butterfat were made to Sub-Saharan Africa under the DEIP during calendar years 1991-94. Exports of milk powder to Sub-Saharan Africa were equivalent to 10,008 tons in 1991-94, or 2.4 percent of total DEIP exports of milk powder, and exports of butterfat were 2,292 tons, or 2.5 percent of total DEIP exports of butterfat during this period.[98]

To satisfy U.S. commitments under the Uruguay Round Agreement on Agriculture, U.S. exports under EEP, DEIP, COAP, and SOAP will be reduced during 1995-2000.[99] The URAA removed the legislative requirement that the EEP be used only to discourage unfair trade practices.[100] DEIP regulations were similarly changed. The Statement of Administrative Action that was approved by the Congress with the URAA committed the Administration to use these programs to the maximum levels allowed under the URA and U.S. laws.[101]

U.S. Agency Trade Contact and Market Development Programs

Commerce/International Trade Administration[102]

Commerce's International Trade Administration (ITA) assists U.S. businesses in gaining market access in all parts of the world, including Sub-Saharan Africa. ITA has commercial offices in the Côte d'Ivoire, Kenya, Nigeria, and South Africa. The offices in the Côte d'Ivoire, Kenya, and South Africa serve as regional centers, thus allowing ITA to cover the entirety of Sub-Saharan Africa.[103] ITA has become especially active in South Africa since the end of apartheid. Through its

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[94] Facsimile data supplied by USDA.

[95] U.S. Department of State cable, message reference No. 008039, prepared by U.S. Embassy, Pretoria, June 1995.

[96] U.S. Department of State cable, message reference No. 001341, prepared by U.S. Embassy, Djibouti, June 1995.

[97] U.S. Department of Agriculture official, telephone conversation with USITC staff, June 26, 1995.

[98] Facsimile data supplied by the USDA.

[99] USITC, *GATT Uruguay Round Agreements*, USITC publication 2790.

[100] USDA, "GATT: Implications for U.S. AG Export Programs," *Agricultural Outlook*, Nov. 1994, pp. 27-30.

[101] Ibid.

[102] ITA official, interviews with USITC staff, June 13 and 15, 1995; U.S. Department of State, Africa Interagency Resource Group documents, June 7, 1995.

[103] The U.S. Department of State reports that Nigeria's participation in ITA's Foreign Buyer Program has been successful in that it has led to U.S. exports of computers and electronic products to that country. U.S.

(continued...)

Enhanced Trade Promotion Program, it helps the U.S. business community identify potential high priority growth sectors in the South African economy. Under its Market Access and Enhancement of the Commercial Environment program, it identifies and seeks ways to remove impediments to U.S. trade and investment in South Africa. ITA is the primary U.S. component in the U.S.-South Africa Business Development Committee, which comprises the following four working groups: Finance and Investment, Bilateral Market Access, Information Exchange/Technology Transfer, and Business Development.

U.S. Department of Agriculture

The USDA maintains offices to promote U.S. agricultural trade and to help facilitate agricultural assistance programs in South Africa, Kenya, and Côte d'Ivoire. Additionally, the following programs provide trade contacts, market promotion, and trade assistance that benefit agricultural trade with Sub-Saharan Africa.

Emerging Democracies Program

The Emerging Democracies Program (EDP), authorized under the 1990 Farm Bill, seeks to increase prospects for U.S. trade and investment in countries where the establishment of democratic reform and free market development have recently occurred. The program provides for export credit guarantees for agricultural exports, and for U.S. technical assistance. The initial legislation authorized $10 million per year over 5 years to improve the effectiveness of food and rural business systems in emerging democracies and to develop market economies.

The program has primarily been targeted toward the Newly Independent States of the Former Soviet Union. South Africa, Ghana, and Namibia, however, recently have benefitted from the program. EDP funding for South Africa totaled $131,000 in FY 1994, and FY 1995 funding totals $1.022 million for all Sub-Saharan Africa. In South Africa, the EDP has funded (1) an assessment of the market potential for high-value and value-added products, (2) an agribusiness advisor, (3) participation of South Africans in the Food Marketing Institute trade show in Chicago, (4) assistance to develop a school lunch program in South Africa, and (5) Cochrane fellowships as noted earlier. The programs in Namibia and Ghana will provide assessments of the business climate, market potential, and opportunities for U.S. investment. An Emerging Democracy Advisory Committee, consisting of 19 private sector representatives appointed by the Secretary of Agriculture, provides information and advice to help develop strategies for providing technical assistance and to enhance markets for U.S. agricultural products in developing market economies.

The Senate Agriculture Committee's 1995 Farm Bill retargets this program to "emerging markets." It would also increase the amounts available for the program to $20 million, extends the program through 2002, and it would define "emerging market" in terms of market potential and progress toward a market-oriented economy. The bill also would require the use of at least $1 billion in credit guarantees for emerging markets.

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[103] (...continued)
Department of State cable, message reference No. 006859, prepared by U.S. Embassy, Lagos, June 1995.

Market Promotion Programs

The Foreign Market Development (FMD) progam and the Market Promotion Program (MPP) have been used for market development in a large number of Sub-Saharan African countries. These programs provide assistance through supermarket promotions, nutritional information, trade servicing, technical assistance to food processors, and advertising. The programs are jointly funded by USDA, by cooperating nonprofit commodity organizations, and by U.S. companies. The MPP, which was authorized in the 1990 Farm Bill,[104] assists primarily exports of high-value products, whereas the FMD program, authorized in 1954, has primarily helped to develop markets for bulk commodities, particularly grains and oilseeds.[105]

During FYs 1990-94, the largest USDA expenditures for FMD activities within Sub-Sahara Africa were in South Africa, Angola, Nigeria, Kenya, and Côte d'Ivoire (table 3-15). The largest USDA expenditures for MPP activities within Sub-Sahara Africa were in South Africa, Côte d'Ivoire, Angola, and Senegal. MPP and/or FMD activities were undertaken in 46 Sub-Saharan African countries during FYs 1990-94.

Phytosanitary and Veterinary Programs

The Animal and Plant Health Inspection Service (APHIS) has three primary programs in Sub-Saharan Africa. First, APHIS inspectors provide phytosanitary inspection of apples, pears, and grapes exported to the United States from South Africa. All costs under this program are paid by the South African fruit export industry. Second, in Botswana, Namibia, and South Africa, APHIS veterinarians certify ostriches and ostrich farms as being free of particular diseases and pests so as to enable exports to the United States. Travel and per diem expenses under this program are reimbursed by the participating countries. Third, in Kenya, an APHIS official is posted to the U.S. Embassy in Nairobi, Kenya, to provide technical assistance in such areas as field and laboratory diagnosis of animal diseases and international research. This assistance helps efforts by Sub-Saharan African countries to export agricultural commodities to the United States.

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[104] The Targeted Export Assistance Program (TEA) was the forerunner of the MPP program which was initially authorized under the 1985 Farm Bill. In 1990 the funding for individual countries in the listing of funding for countries may reflect a combination of both programs.

[105] USDA, "GATT: Implications for U.S. AG Export Programs."

Table 3-15
Sub-Saharan Africa: U.S. Department of Agriculture expenditure under market promotion programs, by countries, FYs 1990-94

Foreign Market Development Program

Country	1990	1991	1992	1993	1994	Total
South Africa	$254,170	$495,677	$723,769	$712,745	$829,461	$3,015,822
Angola	20,776	442,048	393,705	173,330	11,840	1,041,699
Nigeria	103,637	44,322	46,085	58,128	202,106	454,278
Kenya	48,444	96,115	93,656	73,621	48,532	360,368
Côte d'Ivoire	40,396	103,797	24,431	94,994	4,860	268,478
Sudan	7,252	66,064	55,374	10,191	10,442	149,323
Mauritania	11,859	22,828	15,812	37,773	54,110	142,382
Cameroon	32,448	574	15,386	16,535	67,370	132,313
Senegal	50,969	26,563	15,892	14,593	23,434	131,451
Ghana	21,859	1,330	11,646	36,424	23,204	94,463
Tanzania	15,729	16,736	21,094	8,472	30,530	92,561
Uganda	14,757	5,831	15,579	16,322	25,230	77,719
Namibia	0	21,052	39,144	10,659	6,680	77,535
Mauritius	13,801	29,531	16,300	10,944	4,430	75,006
Zimbabwe	12,178	19,549	6,855	22,918	12,756	74,256
Congo	13,959	9,743	16,999	25,193	6,840	72,734
Togo	21,354	15,351	10,648	20,248	2,570	70,171
Ethiopia	5,064	9,914	10,973	5,435	18,230	49,616
Zambia	13,455	9,448	10,935	7,564	6,686	48,088
Benin	21,148	2,917	297	16,849	5,170	46,381
Zaire	24,188	14,172	2,204	1,000	600	42,164
Mozambique	0	28,457	706	1,930	9,900	40,993
Malawi	5,683	5,816	18,992	5,641	3,470	39,602
Madagascar	23,732	11,066	400	0	2,620	37,818
Lesotho	2,177	1,422	15,426	16,105	1,170	36,300
Botswana	0	2,894	10,040	19,891	2,440	35,265
Swaziland	0	0	23,670	6,167	1,000	30,837
Gabon	10,320	7,482	11,863	0	0	29,665
Burkina	13,139	11,035	359	423	0	24,956
Other	45,932	38,332	23,788	24,005	19,840	151,897
Total	848,426	1,560,066	1,652,028	1,448,100	1,435,521	6,944,141

Table continued on next page.

Table 3-15--Continued
Sub-Saharan Africa: U.S. Department of Agriculture expenditure under market promotion programs, FYs 1990-94

Market Promotion Program

Country	1990	1991	1992	1993	1994	Total
South Africa	$114,496	$7,159	$512,564	$708,135	$784,095	$2,126,449
Côte d'Ivoire	113,458	8,641	91,982	82,945	39,600	336,626
Angola	0	0	83,744	0	97,080	180,824
Senegal	21,264	9,893	50,296	0	22,899	104,352
Nigeria	35,651	3,519	24,841	0	30,000	94,011
Tanzania	0	6,246	9,941	14,940	55,000	86,127
Guinea	0	12,747	0	40,510	22,310	75,567
Ghana	5,363	12,300	25,624	15,000	5,000	63,287
Kenya	0	5,456	8,889	15,290	19,000	48,635
Burkina	48,267	0	0	0	0	48,267
Namibia	0	0	5,779	0	25,000	30,779
Eritrea	0	0	0	22,400	0	22,400
Sao Tomé & Principe	0	0	0	22,000	0	22,000
Togo	17,394	4,000	0	0	0	21,394
Mozambique	0	0	5,906	13,200	0	19,106
Swaziland	0	0	5,154	13,200	0	18,354
Botswana	0	0	5,154	13,200	0	18,354
Congo	14,107	600	0	0	0	14,707
Benin	7,581	5,179	0	0	1,650	14,410
Sudan	0	0	0	14,340	0	14,340
Gabon	5,363	600	0	0	5,000	10,963
Guinea	10,018	0	0	0	0	10,018
Uganda	0	0	9,589	0	0	9,589
Malawi	0	0	8,493	0	0	8,493
Zambia	0	1,042	5,907	0	0	6,949
Somalia	0	0	1,785	0	0	1,785
Other	10,726	3,863	18,190	0	0	32,779
Total	403,688	81,245	873,838	975,160	1,106,634	3,440,565

Source: U.S. Department of Agriculture, Foreign Agricultural Service.

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CHAPTER 4: REVIEW OF LITERATURE AND PRIVATE SECTOR VIEWS

General

The Uruguay Round (UR) resulted in an agreement providing for the establishment of the World Trade Organization (WTO) and in a series of agreements that the WTO will oversee relating to trade in agricultural products, market access for manufactured goods, textiles and clothing, sanitary and phytosanitary measures, antidumping, trade-related investment measures, subsidies and countervailing measures, safeguards, technical barriers to trade, rules of origin, import licensing procedures, preshipment inspection, services, trade-related intellectual property rights, and government procurement. The Uruguay Round Agreements (URA) cover not just trade in manufactures, but agriculture, services, trade-related intellectual property rights, investment measures, government procurement and other areas. They also provide for a strengthened dispute settlement mechanism. The following sections provide a review of literature on the effects of the URA on developing countries, and Africa in particular, and a review of private sector views on the effect of the URA on U.S.-Sub-Saharan Africa trade flows.

Review of Literature on Effects of the URA

Several studies have been conducted in recent years on the effects of the URA on developing countries in general and on Sub-Saharan Africa in particular. One important example is a 1994 report by the United Nations Conference on Trade and Development (UNCTAD), which focused on the effects of the URA on developing countries.[1] UNCTAD's conclusions included the following: (1) export-oriented investment in developing countries will probably be stimulated by the strengthening of existing rules and disciplines governing trade, improved dispute settlement procedures, the elimination of voluntary export restraints, the phase-out of the MultiFibre Arrangement (MFA)[2] quotas on textiles and apparel trade, and the initiation of agricultural trade liberalization; (2) although tariffs on manufactures in developing countries were reduced or bound, they remain high relative to those in developed countries, and therefore, further work remains to be done in this area; (3) the establishment of new rules for agriculture, intellectual property rights, and services may impose short-term costs on developing countries but should benefit them in the long term; (4) the least developed countries may suffer from the erosion of preferential margins offered by such programs as, for instance, GSP, and from the administrative requirements of their obligations under the URA; and (5) global growth caused by the URA should help alleviate unemployment in the developed countries and facilitate economic adjustment and growth and development in the developing countries.

Several important papers were presented at a recent World Bank conference on "The Uruguay Round and the Developing Economies." These papers analyzed various aspects of the effects of the URA on developing countries. The paper, "The Impact of the Uruguay Round on Africa: Much Ado

[1] UNCTAD, *Trade and Development Report 1994* (New York: UNCTAD, Sept. 1994).

[2] The MFA was established under the General Agreements on Tariffs and Trade (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 their growth rates.

About Nothing?"[3] finds that the expected impacts of the URA for Africa "are rather muted, and considerably less important than those for other parts of the world, such as East Asia." The study points out that there may be some lost export earnings, primarily in the EU, as a result of lost preferences in that market, but these losses are compensated by trade creation gains in other markets. The paper also suggests that the burden of higher food bills from the UR Agreement on Agriculture may be overstated.

Effects on Agriculture

In their paper, "Agricultural Liberalization and the Uruguay Round,"[4] Hathaway and Ingco argue that virtually no effective agricultural trade liberalization was achieved in the Agreement on Agriculture largely because the agreement was shaped (and the delays preventing an early agreement were caused) by the United States and the EU. Additional factors include the "defensive" stance of Japan against open markets in agriculture. Developing countries generally had neither significant influence on the resulting agreement, nor will they be significantly affected by it because many will avoid or minimize any obligations under the Agreement on Agriculture while at the same time they benefit from increased export access to markets in developed countries.

A second paper by Ingco, "Agricultural Trade Liberalization in the Uruguay Round: One Step Forward, One Step Back?"[5] assesses the extent to which major countries liberalized their trade in agricultural products under the URA by comparing commitments in tariffs and nontariff barriers that are to be converted to tariffs. The author concludes that realized liberalization fell short of the intended liberalization because of several factors. One factor is that the base period chosen (1986-88) for tariffication in the Agreement on Agriculture was one of exceptionally high border protection. A second factor is that many countries, especially developing ones, committed themselves to reductions in bound rather than applied tariff rates. Therefore, such countries need not actually reduce existing tariffs; they are only prevented from raising existing tariffs above certain limits. Further, many measures that distort agricultural trade, such as export taxes and state trading monopolies, ultimately were not addressed by the Agreement on Agriculture.

In another study,[6] Goldin and van der Mensbrugghe, used a computable general equilibrium (CGE)[7] model of world trade in several agricultural sectors and the manufacturing sector to find large

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[3] Peter Harold, "The Impact of the Uruguay Round on Agriculture: Much Ado About Nothing?" presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[4] Dale E. Hathaway and Merlinda Ingco, "Agricultural Liberalization and the Uruguay Round," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[5] Merlinda D. Ingco, "Agricultural Trade Liberalization in The Uruguay Round: One Step Forward, One Step Back?" presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[6] Ian Goldin and Dominique van der Mensbrugghe, "Uruguay Round: An Assessment of Economy-wide and Agricultural Reforms," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[7] A CGE model simulates the interactions among producers and consumers in different economies in markets for goods, services, labor and physical capital. The distinguishing feature of a CGE model is its

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global gains from trade liberalization, although smaller gains than those hoped for by some of the UR participants. Developing countries gained proportionately more compared with their pre-UR share of world trade. The URA measures modeled are only those concerning tariffs (actual tariff reductions as well as bindings); other gains that are not considered, such as gains from services and investment, would supplement those found in their model.

Goldin and van der Mensbrugghe's model disaggregates agriculture more than manufactures and finds greater global effects on agriculture. However, these effects, including higher world prices, adversely affect developing countries, many of whom are net food importers. An alternative model, which disaggregates manufactures and incorporates services and investment, would find greater relative gains to those sectors and greater global growth in incomes and import demand, thereby resulting in greater gains to developing countries. Largely because of the model's structure, Goldin and van der Mensbrugghe's study found that African countries, as well as some other low-income developing countries, would lose from the URA in terms of both real and undeflated income.

Effects on Manufactures

A paper by de Paiva Abreu on trade in manufactures[8] assesses the extent to which exporters of manufactures in developing countries gain from increased market access in developed countries. The author concludes that developing countries gained less than they had hoped before the UR; however, estimates of their relative gains rise when their post-UR situation is measured not against the pre-UR but against the situation that would have occurred had the UR failed. According to the author, a "failure scenario" is difficult to model, but it would probably include slower rates of growth and increased disputes and retaliatory activity in comparison with both the pre-UR situation and what is likely to occur as the URA are implemented.

Another study by Hertel, Martin, Yanagishima, and Dimaranan on trade in manufactures[9] focuses on the staged elimination of the trade restrictions of the MFA under the URA, which has hitherto regulated a major portion of trade in textiles and apparel products, in the larger context of global trade liberalization. The MFA's phase-out is heavily back-loaded (half of the required liberalization will take place on the last day of the 10-year URA phase-in period), but, according to the authors, the short-term gains from general trade liberalization, particularly in developing countries in Asia, occur earlier in the process. The authors conclude that (1) the MFA will become more binding in the years leading up to the year 2005, and (2) the global distribution of production and consumption will shift toward the developing countries, with the result that developing countries will be some of the big gainers from the UR.[10]

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[7] (...continued)
economy-wide coverage and multisectoral nature.

[8] Marcelo de Paiva Abreu, "Trade in Manufactures: The Outcome of the Uruguay Round and Developing Country Interests," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[9] Thomas Hertel, Will Martin, Koji Yanagishima, and Betina Dimaranan, "Liberalizing Manufactures Trade in a Changing World Economy," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[10] Ibid., p. 21.

Using numerical simulations of trade liberalization scenarios, a study by Blackhurst, Enders, and Francois[11] focused on increased market access principally by means of reductions in tariffs, tariff bindings, and "tariffied" nontariff barriers for developing countries. The authors found that the most significant goods-related gains to developing countries from the URA will result from the phase-out of MFA quotas on textiles and apparel. The authors note that in the area of agriculture the extent to which developing countries will realize gains depends as much on their domestic policies (such as avoiding excessive taxes on exporters) as on increased access to foreign markets.

Using a CGE model of the economies of 24 regions and trade in 22 commodity groups, a study by Harrison, Rutherford, and Tarr[12] finds that the UR will generate long-term gains of up to $188 billion per year worldwide. Of that total, developing countries as a whole gain up to $62 billion per year. The authors find that most developing country gains arise from liberalization in manufactures and that many individual developing countries fail to generate short-term gains but almost all generate gains in the long term. The authors conclude that developing countries can maximize their gains, or minimize their losses, through additional unilateral liberalization for particular commodities.

Safeguards

A study by J. Michael Finger, "Legalized Backsliding: Safeguard Provisions in the GATT," focuses on the role of safeguards in the URA.[13] In his paper, Finger defines safeguards as any URA provision that allows for product-specific restrictions on imports. He includes within his definition such actions as emergency actions under the general GATT safeguard provision (article XIX of GATT 1994) to protect industries injured by import competition, actions by developing countries to protect their balance of payments, and actions in the form of antidumping and countervailing duties to offset dumping and foreign subsidies.[14] Finger concludes that URA safeguard provisions will allow countries to erect new import restrictions. He also notes that as developing countries become WTO members, they can be expected to increase their use of various safeguard provisions to restrict trade.

System Strengthening

The term "system strengthening" refers to solidifying, monitoring, and enforcing trade rules in order to strengthen the authority of the WTO. In a paper that examines the benefits of system strengthening under the URA for developing countries, John Whalley suggests that developing countries have an intrinsic interest in such strengthening because it gives them protection from bilateral pressure (from developed as well as other developing countries) and preserves openness in

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[11] Richard Blackhurst, Alice Enders, and Joseph Francois, "The Uruguay Round and Market Access: Opportunities and Challenges for Developing Countries," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[12] Glenn Harrison, Thomas Rutherford, and David Tarr, "Quantifying the Uruguay Round," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[13] J. Michael Finger, "Legalized Backsliding: Safeguard Provisions in the GATT," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[14] Ibid., p. 2.

the trading system.[15] The author concludes that less was achieved under the URA in this area than what developing countries sought, but that developing countries are likely to benefit from any additional liberalization that occurs in agriculture and in other areas of importance to developing countries, areas that previously had been insufficiently incorporated in the "system" of world trading rules.

Effects on Services

Services were an area previously unaddressed by the General Agreement on Tariffs and Trade (GATT), despite the fact that growth in services trade has outpaced growth in merchandise trade in recent years. In a paper on services trade,[16] Hoekman argues that the UR General Agreement on Trade in Services (GATS) actually accomplished relatively little in terms of trade liberalization. According to Hoekman, countries agreed to bind their current rules on trade in many services areas under the GATS, although Hoeckman argues that this binding was in itself an achievement. For developing countries, GATS allows safeguard measures to improve a country's balance-of-payments, despite the economic inefficiency typical of such measures; other, more positive commitments required of developing countries are minimal. Therefore, GATS is likely to have minimal effects on developing countries.

Trade-Related Aspects of Intellectual Property Rights

Trade-related aspects of intellectual property (TRIPS) were also an area previously unaddressed by the GATT. The potential contents of the UR Agreement on TRIPS concerned many developing countries because many such countries permitted practices that developed countries regarded as violating intellectual property rights. In a paper on TRIPS,[17] Primo Braga found that the Agreement on TRIPS will require "significant" policy reforms in developing countries that could result in economic costs to developing countries.[18] However, Primo Braga concluded that such costs will be mitigated by extended transitional periods and encouragement of foreign investment and technology transfer from developed countries.

Investment

Trade-related investment measures (TRIMs) were yet another new subject for the GATT. The UR Agreement on TRIMs recognized this by calling for a review of this agreement 5 years after its entry into force to examine whether or not it should be extended to cover investment and competition (antitrust) policy. In a paper on TRIMs,[19] Low and Subramanian conclude there is little need for such

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[15] John Whalley, "Developing Countries and System Strengthening in the Uruguay Round," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.
[16] Bernard Hoekman, "Tentative First Steps: An Assessment of the Uruguay Round Agreement on Services," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.
[17] Carlos A. Primo Braga, "Trade-Related Intellectual Property Issues: The Uruguay Round and its Economic Implications," presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.
[18] Ibid., p. 50.
[19] Patrick Low and Arvind Subramanian, "TRIMs in the Uruguay Round: An Unfinished Business?"
(continued...)

extension, but that the UR Agreement on TRIMs does reinforce existing rules and make them harder to alter. The resulting predictability, they state, would encourage investment in developing countries and thereby spur their economic growth.

Private Sector Views[20]

U.S. International Trade Commission staff contacted a number of companies and trade groups concerning their views on the effects of the URA on U.S.-Sub-Saharan Africa trade flows, as well as on the impediments to increased U.S.-Sub-Saharan Africa trade. Additional information on the views of the private sector in countries in Sub-Saharan Africa was obtained through cables received from U.S. Embassies. This information, combined with testimony presented at the July 26 hearing, is presented below.

Effects of the URA

There is no one view of the effects of the URA in the eyes of the U.S. and African private sectors. However, when asked what the effects of the URA will be on trade flows between the United States and Sub-Saharan African countries, a generalized initial response from the U.S. private sector was often "not much" or "nothing in the short run."[21] Private sector respondents or discussants explain further that, in the long and intermediate run, the impact of the URA on Sub-Saharan African countries will depend on the economic reforms undertaken by countries in that region, as well as on the U.S. policy toward trade, investment, and development in Sub-Saharan Africa.

According to the U.S.-Africa Chamber of Commerce (Chamber), countries in Sub-Saharan Africa need to understand the benefits of the URA and the ways these agreements will benefit their companies.[22] The Chamber also noted that there has been no help for countries in Africa in terms of funding training programs and other technical assistance to understand the URA and to enable these countries to comply with their own obligations.[23] The Chamber contrasts the lack of URA-related assistance for Sub-Saharan Africa to U.S. assistance in Central and Eastern Europe helping countries to conform to their WTO obligations.[24]

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[19] (...continued)
presented at the World Bank conference on The Uruguay Round and the Developing Economies, Washington, DC, Jan. 26-27, 1995.

[20] This section draws information from three primary sources: (1) short interviews or fax responses from various private sector sources; (2) testimony submitted at the hearing of July 26, 1995 or as a posthearing brief; and (3) various cables received from U.S. Embassies located in Sub-Saharan Africa. Contacts included international banking and investment firms, textile manufacturers, several associations representing precious metals, and other business enterprises proposed by the CCA and the Constituency for Africa.

[21] An exception to this view was contained in a fax received from a U.S. textile manufacturer and exporter stating, "The UR in general is a disaster - a prescription for large multinationals to set up plants with cheap labor, protecting the countries then importing goods into the U.S. and exporting jobs." The American Textile Manufacturers Institute (ATMI) also noted that Kenya and Mauritius will be allowed generous growth in their exports of textiles and apparel to the United States. ATMI, official submission to the USITC, Aug. 1, 1995.

[22] Terence P. Stewart, transcript of the hearing, p. 117.

[23] Ibid., p. 117.

[24] Ibid.

The loss of preferential treatment under the URA remains a stated concern by some in the public and private sector.[25] However, this view is not universally held. According to the Chamber, trade preferences can prove helpful for particular products, but the issue of how U.S. trade policy can help improve U.S.-African trade should not focus on the issue of the loss of trade preferences from the URA.[26] In its posthearing brief, the Chamber presented an analysis showing that most of the top 20 items imported by the United States from Africa were duty free and that, in 1994, only 15.6 percent of all items entered with preferential status.[27] Other witnesses at the July 26 hearing stated that the GSP program should be renewed on a permanent basis for Africa to allow investors assurance of long-term access and that all U.S. imports from Africa should be designated for duty-free treatment except those deemed sensitive.[28]

Impediments to Increased U.S.-Sub-Saharan Africa Trade Flows

The four most commonly cited impediments to increased trade with Sub-Saharan African countries include (1) the lack of investment financing and a poorly developed private sector with very little infrastructure,[29] (2) high duties and other import barriers such as burdensome regulations in Sub-Saharan African countries, (3) corruption, and (4) European, particularly French, interference.[30] An additional concern centers on the disproportionate amount of attention given to a few countries in Sub-Saharan Africa experiencing problems. According to observers, this attention gives the region a negative image and does little to encourage investment.[31]

Finance and Investment

According to industry respondents, lack of investment financing and a poorly developed private sector continue to create problems in most countries. The traditional pattern of trade in Africa, where countries export primary commodities (oil, minerals, cocoa, coffee, etc.) on international markets to earn convertible currency, works against the expansion of regional African trade because the potential for adding value in the country of production is lost and transferred to the importing country. Additionally, outdated road and transportation systems, designed and built during the colonial period, remain in place so as to reinforce the traditional production and trade patterns. Historically, most road systems were designed to bring commodities to the capital or port cities rather than to move people and goods between cities or countries, facilitating regional commerce. The lack of structured, impartial judicial systems in most countries and restrictions in most countries on repatriation of profits discourage investment.[32]

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[25] Ambassador Pierrot J. Rajaonarivelo and Stephen Lande, transcript of the hearing, pp. 94, 228.

[26] U.S.-Africa Chamber of Commerce, posthearing brief, Aug. 2, 1995.

[27] Ibid. The extent to which the URA will erode preferences under the United States GSP program is discussed in chapter 5.

[28] Stephen Lande, transcript of the hearing, p. 228.

[29] Regina C. Brown, Ambassador Amund P. Neewor, and Terence P. Stewart, ibid., pp. 43, 97, 137.

[30] David Miller, Terence P. Stewart, Victor Anjeh, and Donna Sims Wilson, ibid., pp. 132-133,136-137,141-144,168-170, 195-198, 222.

[31] In fact one of the reasons cited for the formation of the African Business Round Table is to combat the generally negative perception of Africa. Ibid., pp 105,173.

[32] Regina C. Brown, ibid., p. 34.

Solutions to the problem of the lack of well-developed infrastructure in Sub-Saharan Africa suggested by the private sector focus in three areas. First, it was suggested at the July 26 hearing that efforts should be directed toward helping to develop the African private sectors' indigenous capacity to generate wealth.[33] Second, it was also suggested at the hearing that development of regional trade in Sub-Saharan Africa could make better use of the infrastructure that exists in the region, and encourage investment.[34] Third, it has been suggested that U.S. Agency for International Development (USAID) programs should promote the African private sector and encourage U.S. trade and investment in Africa. More specifically, one private sector respondent argued that the focus of USAID programs should be market development, which, in his view, is currently the case only for USAID programs in South Africa.[35] Other solutions proposed by the private sector include judiciary training programs that could be the focus of USAID or Trade and Development Agency projects to help countries initiate or formulate judicial policy.[36]

Trade Liberalization

Several persons testifying at the July 26 hearing said that the excessive cost of doing business in many African countries is due to burdensome regulation and state-owned monopolies.[37] High tariffs and other protectionist measures discourage or effectively prevent the import of technology, goods, and services that have the potential to help develop the private sector and the economy as a whole. State-owned enterprises often create barriers to investment by causing the cost of doing business to be to excessive.[38] However, structural adjustment programs, implemented through multilateral assistance programs in more than half the Sub-Saharan countries, create an environment more conducive to market development and market access. One witness asserted that U.S. policy should encourage privatization of state-owned businesses in the African countries.[39] This view appears to be widely held by the U.S. and foreign private sectors.[40]

Business Practices

According to testimony, corruption is a fact of life in many African countries, more in some than in others.[41] The U.S. Foreign Corrupt Practices Act prohibits U.S. companies from paying bribes and carries stiff penalties for infractions.[42] However, because longstanding cultural practices often encourage the payment of bribes, the U.S. business persons are often at a disadvantage.

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[33] Esom Alintah and David Miller, ibid., pp. 104-107, 120.

[34] Current and developing regional trade programs are discussed in some detail in chapter 6 of this report.

[35] David Miller, CCA, interview with USITC staff, July 28, 1995.

[36] David Miller and Gary Walker, transcript of the hearing, pp. 133, 173, 179.

[37] Esom Alintah and David Miller, ibid., pp. 132, 138, 141-143.

[38] For example, the cost of a telephone call from Mozambique to the United States is per minute with a minimum of three minutes. The telephone company is state owned and operated. Ibid., pp. 143, 144.

[39] Rich Galen, ibid., pp. 215-217.

[40] Ambassador Rajaonarivelo, Esom Alintah, and David Miller, ibid., pp. 50-51, 114, 120, 125.

[41] A major U.S. manufacturer, poised to complete a business arrangement in Cameroon, was denied the contract because no "commission" was forthcoming. Telephone conversation with USITC staff, Aug. 7, 1995.

[42] During an interview, USITC staff were told that France and Germany allow bribes to be taken as a tax deduction. During another interview, it was explained that tax deductions are probably granted for "commissions."

One proposed solution suggests that regional meetings be held on issues of corruption and transparency. This solution also proposed harmonized legislation among OECD member states similar to that of the U.S. Foreign Corrupt Practices Act.[43]

Views of the Private Sector in African Countries

The generalized responses received from U.S. Embassies discussing private sector views reflect a positive response tempered with the realities of the various economies. Private sources in a number of Sub-Saharan African countries expressed concerns that their small, underdeveloped economies will not be able to compete against countries with more developed economies, thus adversely affecting their production of manufactured goods.[44] Private sources in the Togolese Chamber of Commerce told the U.S. Embassy that the URA offer an open market that Togolese businesses may use to break into foreign markets, "but regret that Togo does not have many commercial products to offer."[45] A related view in Burkina expressed concern on the inability of the private sector to adapt quickly to modern standards for manufactured products, thus leaving Burkina's economy dependent on exports of primary products.[46]

The private sector interests in Botswana noted that the reduction in duties brought about by the URA could make a larger number of U.S. products more competitive with South African goods, thus helping them to diversify their import base to lessen dependence on South Africa.[47] However, private and government officials in Zimbabwe are concerned that the 5-year window given to South Africa to conform to the URA will have a possible adverse effect on Zimbabwe's manufacturing base.[48]

The private sector in Mauritius has expressed concern that the URA will erode the benefits of trade preferences Mauritius has received from the United States and the EU, particularly for sugar and textiles.[49] The General Secretary of the Dakar Chamber of Commerce in Senegal expressed optimism about world trade liberalization, but is concerned that the UR will limit Senegal's trade flow if a "safety net" is not provided so as to lighten the burden of the UR's obligations.[50]

In Nigeria, exporters believe that URA conditions are too stringent, especially in the area of packaging and quality, and that the URA will constrain export growth. The prevalent view of governmental officials in Nigeria is that export credits and guarantees will continue to be provided,

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[43] Gary Walker, transcript of the hearing, p. 183.
[44] U.S. Department of State cable, message reference No.004209, prepared by U.S. Embassy, Dar es Salaam, June 1995.
[45] U.S. Department of State cable, message reference No. 002059, prepared by U.S. Embassy, Lomé, June 1995.
[46] U.S. Department of State cable, message reference No. 003316, prepared by U.S. Embassy, Ouagadougou, Aug. 1995.
[47] U.S. Department of State cable, message reference No. 003587, prepared by U.S. Embassy, Gaborone, June 1995.
[48] U.S. Department of State cable, message reference No. 008532, prepared by U.S. Embassy, Harare, Aug. 1995.
[49] U.S. Department of State cable, message reference No. 001177, prepared by U.S. Embassy, Port Louis, June 1995.
[50] U.S. Department of State cable, message reference No. 007259, prepared by U.S. Embassy, Dakar, July 1995.

especially in the agricultural sector.[51] Nigeria's private sector believes that the phase-out of quotas on textiles and apparel established under the UR Agreement on Textiles and Clothing will give Nigerians opportunities to sell local textiles and fashions in the international market.[52] However, there is concern that the Nigerian industry lacks the technology to keep up with quality, fashion changes, and shorter order cycles. Thus the industry has the view that additional government-sponsored export incentives may be necessary, despite the URA's goal of reducing export subsidies.[53] Nigeria's private sector is reported to welcome the GATS and the Agreement on TRIPS.[54]

A number of U.S. Embassies reported that the URA have been given little attention by the private sector in some Sub-Saharan African countries. In the Cote d'Ivoire, farmers and other private sector interests are reported to be more focused on the country's internal policy changes and on the immediate effects of those policies rather than on the URA.[55]

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[51] U.S. Department of State cable, message reference No. 006859, prepared by U.S. Embassy, Lagos, June 1995.

[52] Ibid.

[53] Ibid.

[54] Ibid.

[55] U.S. Department of State cable, message reference No. 006138, prepared by U.S. Embassy, Abidjan, June 1995.

CHAPTER 5: ASSESSMENT OF THE EFFECTS OF THE URUGUAY ROUND AGREEMENTS ON U.S.-SUB-SAHARAN AFRICA TRADE FLOWS

Introduction

This chapter summarizes the nature of the commitments made by Sub-Saharan African countries during the Uruguay Round (UR) and it assesses the economic effects of the Uruguay Round Agreements (URA) on U.S.-Sub-Saharan Africa trade flows.

The URA distinguish among obligations of developed countries, developing countries, and least-developed countries. Developed countries include industrialized countries, such as the United States and other OECD members. Developing countries are characterized by a lower level of per-capita income. Within the group of developing countries are the "least-developed" member countries of the World Trade Organization (WTO), which include much, but not all, of Sub-Saharan Africa.

Developing countries participated in substantially all areas of negotiation and, like the developed countries, made commitments in most of these areas. However, many of the commitments made by developing countries are lesser in scope and/or are to be phased in over a longer period of time than those made by the developed countries. Least-developed member countries in some instances are permitted to delay implementation of certain obligations for an even longer time period, or are exempted from such obligations altogether. Some of the commitments made during the UR principally affect developed countries. For example, the obligation to phase out MultiFibre Arrangement (MFA)[1] quotas on textile and apparel articles largely applies to developed countries, since developing countries generally do not impose such quotas.[2] Similarly, the obligation to reduce agricultural subsidies will largely affect developed countries that are net exporters of agricultural products.

Participation of Sub-Saharan Africa in the Uruguay Round

The GATT/WTO membership status of Sub-Saharan African countries is indicated in table 5-1. Among the countries shown, South Africa is currently classified as a developed country by the WTO, whereas all of the other Sub-Saharan African countries are, or will be, developing or least-developed country members.

Because the requirements made of signatories to the URA depend on a country's level of development, U.S. and Sub-Saharan African countries' obligations under the URA differ from one country to another. For example, under the market access provisions of the URA, developing countries generally offered proportionately smaller reductions in applied tariffs than developed

[1] 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 their growth rates.

[2] Both developed and developing countries are obligated to improve market access for textiles and apparel, however.

Table 5-1
Sub-Saharan Africa: GATT and WTO country status as of July 3, 1995

Sub-Saharan Africa WTO member countries (24)

Botswana	Mauritania
Burkina	Mauritius
Central African Republic	Namibia
Côte d'Ivoire	Nigeria
Djibouti	Senegal
Gabon	South Africa
Ghana	Swaziland
Guinea-Bissau	Tanzania
Kenya	Togo
Lesotho	Uganda
Malawi	Zambia
Mali	Zimbabwe

Sub-Saharan Africa GATT member countries but not yet WTO members (14)

Angola	Guinea
Benin	Madagascar
Burundi	Mozambique
Cameroon	Niger
Chad	Rwanda
Congo	Sierra Leone
Gambia	Zaire

Sub-Saharan Africa countries that have made formal requests for GATT/WTO accessions (2)

Seychelles	Sudan

Source: World Trade Organization, "WTO Membership Reaches 100," press release 17, July 4, 1995.

countries.[3] Developing countries principally agreed to bind[4] tariffs on goods which had previously not been bound, usually at rates higher than the currently applied rates. Although tariff bindings are a positive move--e.g., they reduce the chance that an exporter will suddenly face an unexpected tariff hike--there are no immediate consequences because currently applied tariffs remain unchanged.

[3] World Bank, *Global Economic Prospects*.

[4] A "bound" rate of duty under the WTO is a negotiated duty-rate ceiling in each WTO member's tariff schedule. Tariff binding legally obligates the grantor to refrain from exceeding the bound level and to pay compensation or face possible retaliation if the ceiling rate is exceeded.

The UR Agreement on Agriculture[5] is an area where consideration was given to the flexibility and longer transitional periods needed by developing countries. Developed countries, such as the United States, must fulfill their tariff-reduction obligations within 6 years; however, developing countries are allowed 10 years. Moreover, the agreed tariff reduction is 36 percent for developed countries and only 24 percent for developing countries. Developed countries agreed to cut trade-distorting domestic subsidies by 20 percent and export subsidies by 21 percent (by volume) and 34 percent (by value) over 6 years. Developing countries agreed to cut domestic subsidies by 13 percent and export subsidies by 14 percent (by volume) and 24 percent (by value) over 10 years. Least-developed country members are exempted from any reductions.

Developing countries, including countries in Sub-Saharan Africa, also benefit from differential treatment in regard to use of export subsidies under the UR Agreement on Subsidies and Countervailing Measures.[6] Developed countries are prohibited from using export subsidies under this agreement, whereas developing countries are allowed 8 years to eliminate such subsidies, and the least-developed country members of WTO are exempt from any such prohibitions.[7] The prohibition on the use of subsidies to promote use of domestic over imported goods similarly does not apply to developing countries for a period of 5 years, and to the least-developed countries for a period of 8 years.[8]

Other areas where developing countries received special consideration include the UR Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)[9] which permits developing country members of WTO to delay implementation of certain obligations for 4 years and least-developed country member to delay for up to 10 years. Similarly the Agreement on Trade-Related Investment Measures[10] (TRIMs) requires developed country members of the WTO to eliminate TRIMs within 2 years, developing country members within 5 years, and least-developed country members within 7 years. Also, article 15 of the UR Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (Antidumping Agreement)[11] provides that developed countries are to give "special regard" to the situation of developing countries and to explore "constructive remedies" before applying antidumping duties when such duties "would affect

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[5] Agreement on Agriculture, Final Agreement Embodying the Results of the Uruguay Round of Multilateral Negotiations.

[6] Agreement on Subsidies and Countervailing Measures, Final Act Embodying the Results of Uruguay Round of Multilateral Trade Negotiations. The agreement defines prohibited, actionable, and nonactionable subsidies and sets forth rules for imposition of countervailing measures in accordance with article VI of the GATT 1994 with respect to goods benefiting from prohibited or actionable subsidies.

[7] Agreement on Subsidies and Countervailing Measures, Article 27. The prohibition on export subsidies will apply to the following Sub-Saharan African countries when their annual GNP per capita reaches $1,000: Cameroon, Congo, Côte d'Ivoire, Ghana, Kenya, Nigeria, Senegal, and Zimbabwe.

[8] Ibid.

[9] Agreement on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods, Final Act Embodying the Results of the Uruguay Round Multilateral Trade Negotiations.

[10] Agreement on Trade-related Investment Measures, Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. The agreement seeks to minimize trade restriction and distortion by investment measures not previously covered by the GATT.

[11] Agreement on Implementation of Article VI of GATT 1994, Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. The agreement sets forth rules that govern the application of article VI of the GATT 1994 relating to the imposition of antidumping measures.

the essential interests of developing country Members." Article 9 of the UR Agreement on Safeguards[12] states that developing countries are to be exempted from safeguard actions when their share of imports is relatively small.

The URA also call for technical assistance to developing and least-developed country members of the WTO to help them assume their obligations and to more effectively realize the benefits expected from trade liberalization. Areas targeted for assistance include the formulation and application of sanitary and phytosanitary measures;[13] the development, strengthening, and diversification of production and exports and trade promotion;[14] and the development of agriculture.[15]

URA Benefits and Issues of Concern

Several studies have assessed the probable effects of the URA on developing countries in general, and on Africa, in particular (see chapter 4). In broad terms, the conclusions of these studies have ranged from negative effects in the short term to positive effects in the longer term. This switch from a negative short-term effect to a positive long-term effect arises from the fact that many African countries have neither the economic infrastructure nor the political institutions necessary to take immediate full advantage of the gains that are likely from trade liberalization. When such infrastructures and institutions are developed over time, the studies suggest that the gains will be more readily obtainable.

Many studies suggest that an important source of gains for African countries, particularly in the short term, is the growth in demand for their exports that will come from global economic growth, especially in developed countries. Studies on the global economic gains from the URA suggest growth in global gross domestic product (GDP) of \$200-\$500 billion annually, including gains in U.S. GDP of as much as \$100 billion annually.[16] Such income growth could substantially boost African export trade. Indeed, one source found export gains of \$57 billion (in 1990 dollars) accruing to African exporters from income growth in developed country markets.[17]

Coupled with gains from income growth, improved market access will likely result from tariff cuts in developed country markets. On average, developed countries will reduce their tariffs on manufactured products by 38 percent, from 6.3 percent before the UR to 3.9 percent after the URA

[12] Agreement on Safeguards, Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. The agreement seeks to clarify and reinforce the disciplines of GATT article XIX (Emergency Action on Imports of Particular Products), to re-establish multilateral control over safeguards and eliminate measures that escape such control and to recognize the importance of structural adjustment by industries during the period that a safeguard measure is in effect.

[13] Agreement on the Application of Sanitary and Phytosanitary Measures, Final Act Embodying the Results of the Uruguay Round of Multilateral Negotiations. Sanitary and Phytosanitary (SPS) measures are designed to protect human, animal, and plant life from pests and disease.

[14] Decision on Measures in Favor of Least-Developed Countries. Final Act Embodying the Results of the Uruguay Round of Multilateral Negotiations.

[15] Decision on Measures Concerning the Possible Negative Effects of The Reform Programme on Least-Developed and Net-Food Importing Developing Countries, Final Act Embodying the Results of the Uruguay Round of Multilateral Negotiations.

[16] USTR, "Economic Gains From the Uruguay Round," May 1994.

[17] Dickson Yeboah, "Analysis of the Effects of the Uruguay Round on African Countries," WTO Staff Paper, 1995.

are fully implemented. Another related benefit for African exporters is the increase in the number of products whose tariffs in developed-country markets will be eliminated: the proportion of manufactures receiving duty-free treatment is projected to rise from 20 percent before the UR to 43 percent after full implementation.

The average U.S. tariff on industrial products (excluding petroleum) imported from African sources is projected to fall from 2.3 percent before the UR to 1.9 percent after. Within this aggregate, the largest changes include a reduction by one-half in the tariff on mineral products and precious stones (from 0.2 percent to 0.1 percent); an 86-percent reduction from 0.7 percent to 0.1 percent, in the average tariff on wood, pulp, paper and furniture; and a seven percent drop, from 1.5 percent to 1.4 percent, in the average tariff on metals. These product groups, and several others, are important exports for Sub-Saharan African countries.[18]

Sub-Saharan African exporters will likely also benefit from reduced tariffs in other developed country markets. In Japan, for example, the average tariff on industrial products imported from Africa is projected to fall from 3.4 percent before the UR to 1.8 percent after the URA are fully implemented. In the EU, the average tariff is projected to fall from 2.8 percent to 2.0 percent.[19]

In addition to provisions relating to goods, the agreements on services, intellectual property rights, investment, and other such areas provide potential gains. These will probably be long-term gains, however, because they depend on development of suitable infrastructure in these areas.

Some concerns were raised by Sub-Saharan African countries and by witnesses at the USITC hearing regarding the effects of the URA on countries in Sub-Saharan Africa. One concern is the effect of possibly higher world food prices on net food-importing countries. Specifically, reductions in export and domestic subsidies on agricultural products under the Agreement on Agriculture is expected to reduce world trade flows for some commodities, which may put upward pressure on world prices. To avoid harm to net food-importing developing and least-developed countries from increased food import bills, WTO countries agreed to examine their food aid commitments with the view of establishing levels sufficient to meet the legitimate needs of such countries, and to consider requests for the provision of technical and financial assistance to these countries to improve agricultural productivity and infrastructure.[20] WTO countries also agreed that any agreement relating to agricultural export credits would provide for differential treatment in favor of least-developed and net food-importing developing country members of WTO.[21]

Another concern is the erosion of benefits from preferential tariff programs, such as the GSP. As MFN tariff rates decline, the relative advantage afforded by duty-free treatment declines. As shown in chapter 2, the majority of Sub-Saharan Africa's exports to the United States benefit from low or zero duties. As discussed in the USITC's assessment of the effects of the URA on U.S.-Sub-Saharan Africa trade flows below, United States' URA reductions in tariffs could adversely affect GSP preferences in the following sectors: forest products, chemicals and related products, machinery, and miscellaneous manufactures. The USITC's assessment indicates that, in other sectors, tariffs

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[18] GATT Secretariat, "The Outcome of the Uruguay Round and African Countries," table 4.

[19] Ibid.

[20] Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food Importing Developing Countries.

[21] Ibid.

were already low before the URA or that U.S. tariff changes will likely not affect U.S. trade with Sub-Saharan Africa. Additionally, as noted in chapter 2, most textiles and apparel and energy-related products are not eligible for GSP treatment.

Assessments of the Effects of the URA on U.S.-Sub-Saharan Africa Trade Flows in Major Sectors

The following sections provide assessments of the effects of URA provisions on U.S.-Sub-Saharan Africa trade flows by major commodity sectors based on qualitative expertise. The analysis indicates that U.S.-Sub-Saharan Africa trade in one sector, miscellaneous manufactures, is likely to experience a small increase (over 1 percent to 5 percent) after URA provisions are fully implemented. The URA should result in a negligible impact (less than 1 percent change) in overall U.S.-Sub-Saharan Africa trade flows in 11 sectors: agriculture, forest products, chemicals and related products, energy-related products, textiles and apparel, footwear, minerals and metals, machinery, transportation equipment, electronic products, and services.

Agricultural Products

Overview

The URA are expected to have a negligible impact on the net trade in the agricultural products sector. U.S. exports of agricultural products to Sub-Saharan Africa will likely increase no more than a negligible amount as a result of the URA and may actually decline in the short term. A significant portion of U.S. agricultural exports to the region in recent years has been under food assistance programs, which are not covered by the URA. Markets for further processed and value-added agricultural products in Sub-Saharan Africa are small and limited by per capita income; any increases may require a decade or more to be achieved.

Several measures in the Agreement on Agriculture may limit U.S. export opportunities in the short run. The provisions that require developed countries to reduce government price support programs could decrease world production and inventories and increase prices as resources are removed from production. Because many countries in Sub-Saharan Africa are net food importers, higher world prices could raise the cost of imports and strain foreign exchange reserves for food imports. The Agreement on Agriculture also requires that export price subsidies be reduced, which could raise the cost of imports to many Sub-Saharan African countries. However, higher world prices that result from the elimination of production and export subsidies may stimulate production in Sub-Saharan Africa and may reduce the demand for U.S. agricultural products by these countries.

Total U.S. imports of agricultural products from Sub-Saharan Africa are also expected to experience only negligible increases as a result of the liberalization of U.S. tariff and nontariff barriers as most imports are basic raw materials that enter duty free under either MFN or GSP provisions. On dutiable items under the URA, the United States will reduce tariffs, on average, by 36 percent. In 1994, for the dutiable agricultural product imports from Sub-Saharan Africa, the average trade-weighted tariff (ATWT) was only 15.5 percent ad valorem equivalent (AVE). Only 17 percent of the imports from the region were dutiable: 67 percent of the imports entered free of duty under the general rate of duty, and 16 percent of the imports were eligible for duty-free treatment under the GSP.

Many of the Sub-Saharan African countries lack the necessary infrastructure to produce and market processed or value-added products for the export market. The production of value-added and processed products may also require the expansion of basic raw materials production to satisfy any increased export opportunities.

The reduction in U.S. import duties under the URA is likely to have only a negligible impact on the preferences that Sub-Saharan African countries receive under GSP. Raw sugar and cocoa paste are the leading products (in terms of value) receiving GSP benefits. The duty on raw sugar is being reduced by 15 percent and that on cocoa paste by 76 percent. However, the reduction of the GSP preference on sugar will likely be mitigated by the country-specific tariff rate quotas on raw sugar. The duty reduction on cocoa paste is unlikely to result in an erosion of the preference because virtually all of the suppliers are GSP beneficiaries.

U.S. Net Trade Position and Major Trading Partners

The United States had a positive net trade balance in agricultural products with Sub-Saharan Africa of $94 million in 1994, compared with a negative trade balance of $88 million in 1990, as shown in the following tabulation (million dollars):

Year	Exports	Imports	Net trade
1990	511.1	598.7	(87.6)
1991	566.9	600.3	(33.4)
1992	1,145.3	591.4	553.9
1993	874.9	670.4	204.5
1994	778.5	684.7	93.8

During 1992-94, the net trade balance in agricultural products was positive, although declining steadily from its peak in 1992 of $554 million as a result of increasing imports and declining exports. U.S. exports of agricultural products to Sub-Saharan Africa increased from $511 million in 1990 to $1,145 million in 1992 before declining to $779 million in 1994. The large U.S. exports in 1992 and 1993 were the result of drought in Southern Africa (primarily Mozambique, South Africa, Zambia, and Zimbabwe) and consisted almost entirely of corn.

South Africa was the largest market for U.S. agricultural exports to Sub-Saharan Africa in 1994, accounting for $158 million, or 20 percent, of U.S. exports to Sub-Saharan Africa in that year, as shown below (million dollars):

South Africa	158.4
Nigeria	68.8
Kenya	57.4
Sudan	38.2
Angola	37.1
All other	418.6
Total	778.5

Wheat was the leading U.S. agricultural product export to Sub-Saharan Africa in 1993 and 1994, accounting for 6 percent of total U.S. exports and for 31 percent of agricultural product exports in 1994. Other important agricultural product exports to Sub-Saharan Africa during 1990-94 were rice, soybean oil, corn, and dried beans.

U.S. imports of agricultural products from Sub-Saharan Africa increased from $599 million in 1990 to $685 million in 1994. Côte d'Ivoire was the principal U.S. import supplier in 1994 at $142 million, accounting for 21 percent of agricultural product imports from Sub-Saharan Africa, as shown below (millions dollars):

Côte d'Ivoire	142.0
South Africa	119.2
Kenya	53.6
Zimbabwe	49.6
Madagascar	44.2
All other	276.1
Total	684.7

South Africa was the second leading supplier at $119 million, or 17 percent of such imports.

Cocoa beans, coffee (not roasted or decaffeinated), raw sugar, partly or wholly stemmed/stripped tobacco (unmanufactured tobacco), and vanilla beans were the principal agricultural imports from Sub-Saharan Africa. Cocoa beans were the principal agricultural product imported throughout the 1990-94 period and accounted for $122 million, or 18 percent of U.S. agricultural product imports from Sub-Saharan Africa in 1994. Coffee (not roasted or decaffeinated) accounted for $94 million, or 14 percent, and raw sugar, $71 million, or 10 percent of U.S. agricultural imports from the region in 1994.

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

Dutiable imports accounted for 17 percent of total U.S. agricultural product imports from Sub-Saharan African countries in 1994. The ATWT on U.S. agricultural product imports for Sub-Saharan African countries was 15.5 percent AVE, ranging from free for the majority of countries[22] to a high of 67.9 percent AVE for Zambia. Dutiable imports from Zambia were valued at $101,000 in 1994, or 0.01 percent of agricultural product imports from Sub-Saharan Africa. Unmanufactured tobacco, prepared or preserved fruits, fruit juices, and certain animal leather were the major dutiable agricultural products. The remaining imports from the region were either free of duty (67 percent)--primarily cocoa beans, coffee (not roasted, not decaffeinated), vanilla beans, gum arabic, and vegetable sap and extracts containing pyrethrum and rotenone--or eligible for duty-free entry under the GSP (16 percent).

The U.S.-Africa Chamber of Commerce[23] calculated the percentage reduction in U.S. tariffs under the URA on six broad agricultural commodity groupings of interest to Sub-Saharan Africa as shown in the following tabulation (percent):

[22] The United States received no dutiable imports or imports with calculated duties of less than $500 from the following countries in 1994: Angola, Benin, Burkina, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Congo, Djibouti, Equatorial Guinea, Gabon, Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Mauritania, Mauritius, Mozambique, Rwanda, Sao Tomé and Principe, Somalia, Togo, and Uganda.

[23] U.S.-Africa Chamber of Commerce, prehearing brief, July 13, 1995, p.17.

Commodity	Reduction[1]
Coffee, tea, cocoa, sugar	34
Fruits and vegetables	36
Oilseeds, fats, and oils	40
Tobacco	36
Other agricultural products	48
Fish and fish products	26

[1] The percent duty reduction is based on dutiable products covered by the six commodity groupings.

During 1990-94, South Africa, Malawi, and Zimbabwe accounted for the majority of U.S. dutiable imports of agricultural products from Sub-Saharan Africa. Dutiable agricultural product imports from South Africa in 1994 accounted for 32 percent of the total and comprised a wide range of products including prepared or preserved fruits, fruit juices (primarily grape juice), unmanufactured tobacco, and wine. The tabulation below provides information on ATWTs and on the estimated U.S. tariff rate reduction under the URA for these commodities (percent):

Commodity	1994 ATWT	URA tariff reduction
Prepared or preserved fruit[1]	17.7	15-36
Grape juice	32.2	33
Unmanufactured tobacco	17.3	15
Wine, nonsparkling, 2 liters or less	2.5	36

[1] HTS subheadings 2008.20, 2008.30, 2008.40, 2008.50, and 2008.92.

The majority of the dutiable imports from Malawi ($33.3 million) and Zimbabwe ($28.3 million) were unmanufactured burley tobacco (primarily from Malawi) and flue-cured tobacco (primarily from Zimbabwe). The ATWTs on burley tobacco imports from Malawi and Zimbabwe were 18.9 percent AVE and 22.1 percent AVE, respectively, and that for flue-cured tobacco from Zimbabwe was 25.9 percent AVE. Although the import duty on unmanufactured tobacco from these countries is high, the major portion on the duties paid by U.S. importers is believed to be recovered under drawback provisions of the Tariff Act of 1930 when manufactured tobacco products are exported.

Sub-Saharan African Tariff Treatment

U.S. exports of agricultural products to Sub-Saharan Africa are subject to a wide range of tariffs. Most of the major U.S. trading partners in the region maintain high tariffs to protect their domestic industries. The following tabulation presents tariff treatment information under the URA for the major U.S. trading partners and major U.S. exports (percent):

Country	Commodity description	Tariff rate[1]
South Africa	Wheat, other than durum	72
	Corn	50
	Soybean oil	81
	Rice	0
Nigeria	Agricultural products in Annex of the Agreement	150
Kenya	Agricultural products in Annex of the Agreement	100

[1] The bound rate of duty at the end of implementation period.

In addition, some countries are believed to maintain nontariff barriers that hinder trade. In South Africa, marketing boards exist for many agricultural products. The boards can set production quotas and prices, develop and implement standards, and control imports and exports.[24] The boards also work with agricultural organizations and government agencies to formulate policy and marketing strategy. South Africa and several other African countries impose strict transit controls on commodities that are destined for third countries to prevent "leakage" or reentry after delivery to the final destination.

Other URA Provisions

As noted earlier in this chapter, internal support programs in developed countries that are trade distorting are to be reduced, and there will be also reductions in export subsidies under the Agreement on Agriculture. Countries that have reduced internal support programs since 1986 receive credit for their cuts. Because the United States has reduced its support for many commodities subsequent to 1985, the United States does not need to make additional reductions in production support under the agreement.[25]

Some internal support policies by developing countries are exempt from reduction commitments. These include investment subsidies that are generally available to agricultural producers, support to encourage diversification away from production of illicit narcotic crops, and input subsidies to low-income or resource-poor producers.[26] "Generally most of Africa's domestic subsidies are consumption, not production-based--that is, they are intended to make food cheaper for consumers rather than to support the incomes of farmers."[27] These programs are not covered by the Agreement on Agriculture.

U.S. export price subsidy programs under EEP, DEIP, COAP, and SOAP will be reduced and modified as discussed in chapter 3. U.S. exports of wheat and wheat flour and vegetable oil have been the major U.S. agricultural products receiving benefits from export subsidies. Sub-Saharan Africa's share of total U.S. exports receiving such assistance is relatively small. Therefore, the reduction in these programs is not likely to affect trade between the United States and Sub-Saharan Africa.

A large part of the U.S. agricultural food exports to Sub-Saharan Africa are shipped under various food assistance programs. As shown in table 5-2, U.S. exports of agricultural commodities under food assistance programs have counted for a substantial share of U.S. agricultural product exports to Sub-Saharan Africa in recent years, particularly for corn, rice, and wheat. For example, the share of U.S. exports of corn receiving some form of assistance during FYs 1992-94 ranged from as little as 22 percent to as high as 96 percent. Since U.S. exports under food assistance programs are not considered subsidies, they are exempt from any reductions under the Agreement on Agriculture. Additionally, as noted in chapter 3, the United States has agreed to ensure that such assistance

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[24] USDA, *Ag Exporter*, May 1995, p. 5.

[25] "Statement of Administrative Action (SAA)," *Uruguay Round Trade Agreements, Texts of Agreements, Implementing Bill, Statement of Administrative Action, and Required Supporting Statements, Message from the President of the United States*, Sept. 27, 1994, p. 63.

[26] USITC, *Potential Impact on the U.S. Economy and Industries of the GATT Uruguay Round Agreements*, USITC publication 2790.

[27] Copson, "Africa: Impact of the Uruguay Round Trade Agreements," p. CRS5.

Table 5-2 Sub-Saharan Africa: U.S. exports of corn, rice, and wheat receiving assistance and total, FYs 1992-94 (1,000 dollars)			
Item	Exports receiving assistance	Total exports	Percent of total
Corn:			
1992	99,432	455,473	21.8
1993	141,762	290,463	48.8
1994	48,199	50,443	95.6
Rice:			
1992	54,946	117,368	46.8
1993	53,500	93,347	57.3
1994	60,824	99,900	60.9
Wheat:			
1992	50,140	94,174	53.2
1993	40,218	308,378	13.0
1994	55,277	245,345	22.5

Source: Data on exports receiving assistance compiled from official statistics of the U.S. Department of Agriculture. Total exports compiled from official statistics of the U.S. Department of Commerce.

is available to WTO members under the SAA. Likewise, U.S. agricultural product exports under GSM-102 and GSM-103 will not be affected by the Agreement on Agriculture.

Although the Agreement on Agriculture calls for developing countries to reduce export subsidies, it is believed that Sub-Saharan African exports will not be significantly affected by this requirement. In general, Sub-Saharan African countries do not use export subsidies for agricultural products.[28] Also the Agreement on Agriculture contains a provision that exempts the least-developed country members of WTO from the internal support and export subsidy provisions.

Other URA provisions that will likely benefit this sector include the Sanitary and Phytosanitary Agreement because of provisions for mutual acceptance of national inspections that are scientifically based, thus making them more transparent. The primary beneficiaries will likely be tobacco, fruit and vegetables, poultry, livestock and meat, beverages, and specialty products. Additionally, the Antidumping and Subsidies and Countervailing Measures Agreements include sunset provisions and new requirements that dumping margins and subsidies exceed defined de minimis levels. These provisions could reduce the number of antidumping and countervailing duty orders issued or maintained.

Other Economic and Trade Considerations

Tobacco.–The Trade Act of 1974 and the URA authorize the President to proclaim a tariff-rate quota on tobacco pursuant to Article XXVIII of the GATT, but also allow a country to modify or withdraw its tariff bindings. Any country considering such modifications must first attempt to

[28] Ibid.

reach agreement with principal and substantial suppliers and with initial negotiating rights holders whose rights are based on market share. Traditionally, 10 percent is the minimum market share required to establish substantial supplier rights under Article XXVIII.

Steep increases in imports of unmanufactured tobacco beginning in 1990 led to the passage of the so-called Ford Amendment, Section 1106 to the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66, 107 Stat. 312, 318).[29] The domestic content requirement and three extra charges imposed by the amendment were challenged by 10 tobacco-exporting countries (Brazil, Argentina, Chile, Colombia, Guatemala, El Salvador, Venezuela, Thailand, Zimbabwe, and Canada). On August 12, 1994, the GATT Secretariat circulated the panel's final report finding the domestic marketing assessment provision to be a domestic content requirement inconsistent with Article III.5. In order to conclude agreements with the Article XXVIII qualifying suppliers, the United States offered these countries country-specific allocations within the proposed tariff rate quota (TRQ). Final deals on country allocations have nearly been achieved through negotiations.[30] If Sub-Saharan African countries cannot obtain country-specific allocations their exports would most likely decline.

Sugar.--The Congo, Côte d'Ivoire, Gabon, Madagascar, Malawi, Mauritius, Mozambique, South Africa, Swaziland, and Zimbabwe currently hold allocations under the U.S. sugar quota program. Generally these countries ship most of their sugar to the EU, with the United States as a secondary destination. Mozambique and Gabon, however, sold virtually all their export sugar to the United States. South Africa ships approximately one-half its sugar exports to the United States. Because the EU and the United States allocate their import quotas on sugar on a country-by-country basis, both generally purchase sugar at a price that is above the world (spot) price, making participation in the import regimes more remunerative.

Sugar imports within the designated allotments enter the United States at a duty rate of 0.625 cent per pound. Sugar imports in excess of the designated allotment are dutiable at 16¢ per pound. For countries with GSP status only, the 16¢ per pound duty is imposed. Virtually all sugar imports from Sub-Saharan Africa are eligible for GSP benefits.

Three programs permit the entry of world price sugar when processed or used according to program guidelines.[31] The use of world-price sugar enables U.S. manufacturers of food products containing sugar to compete on world and domestic markets. Additional sugar imported for this use can be an additional source of revenue for sugar producing countries in Sub-Saharan Africa.

The effects of the Agreement on Agriculture on world sugar trade are likely to be negligible. Duty reductions are insignificant, and the U.S. sugar policy and programs are unlikely to undergo

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[29] The Ford Amendment established a regulation requiring that U.S. cigarette manufacturers use at least 75 percent domestic tobacco in cigarettes produced in the United States. In addition, the Ford Amendment provided for several assessments and fees on imports.

[30] Malawi, Thailand, Philippines, and Chile (in descending order of magnitude) have historically exported tobacco to the United States at levels just below the traditional GATT cut-off of 10 percent for qualifying suppliers under Article XXVIII. Negotiations to offer these countries, along with the qualifying 10, country-specific allocations are still ongoing.

[31] Refined Sugar Re-Export Program, The Sugar Containing Product Re-Export Program, and the Polyhydric Alcohol Program.

substantial change. The current domestic support and minimum import access provisions of U.S. sugar policy are considered to be consistent with the UR provisions. World prices are projected to increase by 2-5 percent by the year 2000 owing to worldwide income gains resulting in increased sugar consumption benefiting sugar-producing countries.

Forest Products

Overview

The impact of the URA on the net trade in forest products is likely to be negligible. Because markets in Sub-Saharan Africa for value-added forest products are small and limited by per capita income, the URA are unlikely to cause an increase in U.S. exports of forest products to the region.

Total U.S. imports of forest products are likely to experience only negligible increases as a result of the liberalization of U.S. tariff and nontariff barriers. The majority of Sub-Saharan African exports and U.S. imports of forest products from the region are basic raw materials and are either duty free (81 percent) or enter free of duty under GSP (15 percent). The ATWT was 5.7 percent AVE for imports of forest products in 1994. Only 4 percent of U.S. imports from Sub-Saharan Africa were dutiable in that year.

The development of value-added products for export by Sub-Saharan African countries may require a decade or more to be achieved. Many of the Sub-Saharan African countries lack the necessary infrastructure to produce and market value-added products for the export market. The production of value-added products may also require the expansion of basic raw materials production to satisfy any increased export opportunities.

Although the URA duty reductions are likely to have only a negligible impact on U.S. imports of Sub-Saharan African forest products, Sub-Saharan African countries will lose almost all of the benefits of GSP preference. A significant share of U.S. forest product imports will enter duty free or at rates of duty below 5 percent AVE at the end of the implementation period.

U.S. Net Trade Position and Major Trading Partners

The United States had a positive net trade balance in forest products with Sub-Saharan Africa throughout the 1990-94 period. The net trade balance increased from $70 million in 1990 to a peak of $110 million in 1993, before declining to $95 million in 1994, as shown in the tabulation below (million dollars):

Year	Exports	Imports	Net trade
1990	152.3	82.5	69.8
1991	161.7	70.2	91.5
1992	165.9	68.4	97.5
1993	176.0	65.6	110.4
1994	170.0	74.7	95.3

U.S. exports of forest products rose steadily from $152 million in 1990 to $176 million in 1993, before falling to $170 million in 1994. South Africa was, by far, the largest market in the region accounting for over $129 million, or over three-fourths of U.S. exports of forest products to the region in 1994, were as follows (million dollars):

South Africa	129.2
Zambia	9.3
Côte d'Ivoire	7.7
Nigeria	6.6
Cameroon	2.3
All other	14.9
Total	170.0

Bleached sulfate board and printed books and brochures were the principal U.S. forest products exported to Sub-Saharan Africa in 1994, with total exports of $24 million and $20 million, respectively. Oakwood over 6 mm thick and kraft paper were also important. Prior to 1994, kraft paper was the principal U.S. forest product exported to Sub-Saharan Africa. South Africa's expansion of its own kraft paper industry resulted in significantly lower U.S. exports to that country in 1994.

U.S. imports of forest products from Sub-Saharan Africa declined steadily from $83 million in 1990 to $66 million in 1993, before rising significantly in 1994 to $75 million. South Africa was the principal source of forest product imports from Sub-Saharan Africa in 1994, accounting for $54 million, or 72 percent of U.S. imports from the region as shown below (million dollars):

South Africa	53.9
Côte d'Ivoire	4.9
Ghana	4.2
Kenya	2.5
Cameroon	2.3
All other	6.9
Total	74.7

The leading U.S. forest product imported from Sub-Saharan Africa in 1994 was wood pulp at $32 million, supplied entirely by South Africa. Other forest product imports included wood veneer sheets ($6 million) and wooden doors with frames and thresholds ($5 million).

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

The U.S.-Africa Chamber of Commerce[32] calculated the percentage reduction in U.S. tariffs under the URA on wood, pulp, paper, and furniture products of interest to Sub-Saharan Africa to be 69 percent. In 1994, 4 percent of the U.S. imports of forest products from Sub-Saharan Africa were subject to duty; 15 percent of the forest products entered duty-free under the GSP; and 81 percent were not dutiable. The ATWT for forest products was 5.71 percent AVE, with the highest ATWT being 6.04 percent AVE for imports from South Africa.

U.S. imports of dutiable forest products declined sharply over the 1990-94 period from a high of $13 million in 1990 to a low of $3 million in 1994. The granting of GSP benefits to South Africa was the principal reason for the 1994 decline. Dutiable imports from South Africa declined from $7 million in 1993 to $1.9 million in 1994.

[32] U.S.-Africa Chamber of Commerce, prehearing brief, July 13, 1995, p. 17.

The major dutiable forest product imports in 1994 from Sub-Saharan Africa were from South Africa and consisted of wooden doors and their frames and thresholds ($1.2 million) (7.5 percent ATWT) and certain writing paper ($269,000) (2.6 percent ATWT). The U.S. duties will be reduced by 36 percent and 100 percent, respectively, for these sector products. Together these sector products accounted for 73 percent of U.S. dutiable imports from South Africa and 47 percent of such imports from Sub-Saharan Africa. Kenya was the next leading supplier of dutiable forest product imports at $280,000. The principal dutiable imports were wooden statuettes and other wood ornaments at $82,000 (5.1 percent ATWT), miscellaneous articles of wood at $77,000 (5.1 percent ATWT), and miscellaneous baskets at $73,000 (5.3 percent ATWT). These duties will also be reduced by 36 percent under the URA.

Sub-Saharan African Tariff Treatment

U.S. exports of forest products to Sub-Saharan Africa are subject to a wide range of tariffs. Most of the major U.S. trading partners in the region maintain high tariffs to protect their domestic industries. The bound tariff rates for two of the most significant sector exports to South Africa are bleached, impregnated paper board, bound at 5 percent ad valorem, and miscellaneous printed books and brochures, bound at 10 percent ad valorem.

Other URA Provisions

No other URA provisions are expected to have a significant effect on this sector.

Other Economic and Trade Considerations

No other economic or trade considerations are expected to have a significant effect on this sector.

Chemicals and Related Products[33]

Overview

The provisions of the URA are expected to result in a negligible change in the net trade flow between the United States and Sub-Saharan Africa in this sector. However, certain URA, primarily the Agreement on TRIPS, could encourage U.S. investment in the region as well as provide the

[33] 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 other medicinal chemicals); (5) rubber, plastics, and products thereof (polyethylene resins, polypropylene resins, polyvinyl chloride resins, styrene polymers, saturated polyester resins, other plastics in primary forms, 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).

region's chemical industries with much needed technology transfer. It is anticipated that overall tariff reductions under the URA could diminish the benefits of GSP for Sub-Saharan Africa, especially South Africa, which recently regained its GSP status.[34]

U.S. Net Trade Position and Major Trading Partners

The United States, a major world producer and exporter of chemicals, maintained a positive balance of trade in terms of chemicals and related products with Sub-Saharan Africa during 1990-94. The positive U.S. trade balance in chemicals and related products with the region decreased from $410 million in 1990 to $332 million in 1994, as shown in the following tabulation (million dollars):

Year	Exports	Imports	Net trade
1990	512.2	102.1	410.1
1991	561.1	93.9	467.2
1992	521.9	110.7	411.2
1993	493.6	128.4	365.2
1994	485.5	153.3	332.2

These nations are minor U.S. trading partners in terms of these products accounting for less than 1 percent of total U.S. imports and exports of chemicals and related products.

The major sources of U.S. imports of chemicals and related products from Sub-Saharan Africa were South Africa and Nigeria, which accounted for $93 million and $28 million of U.S. sector imports from the region, respectively, as shown below (million dollars):

South Africa	92.6
Nigeria	27.6
Zaire	12.0
Côte d'Ivoire	8.9
Cameroon	4.5
All other	7.7
Total	153.3

U.S. imports of chemicals and related products from Sub-Saharan Africa were primarily small shipments of specialty chemicals, certain polyester fibers, and plastics products. Four companies dominate the chemical industry in South Africa: AECI, Sentrachem, Hoechst South Africa, and Sasol. Together, these companies produce a variety of chemicals ranging from plastics resins, polyester fibers, plastics products, and paints to fertilizers, solvents, explosives, and specialty water purification chemicals. In an effort to globalize the South African chemical industry, these companies have formed joint ventures with large multinational chemical companies to gain access to technology.

The primary market in Sub-Saharan Africa for U.S. exports of chemicals and related products is South Africa, which accounted for $326 million of U.S. sector exports to Sub-Saharan Africa in 1994, and Nigeria, which accounted for $36 million, were as follows (million dollars):

[34] U.S. Africa Chamber of Commerce, prehearing brief, July 13, 1995, p. 9.

South Africa	325.7
Nigeria	36.4
Kenya	26.4
Côte d'Ivoire	19.2
Ghana	15.0
All other	62.8
Total	485.5

U.S. exports to South Africa and Nigeria consisted primarily of intermediate chemicals, which both nations used as feedstocks for their production of specialty chemicals. Both South Africa and Nigeria have sufficient raw materials to produce specialty chemicals but lack the necessary technology. To obtain this technology, these nations have sought to form joint ventures with large multinational chemical companies. Both nations have recently begun to shift away from the production of petrochemicals for export and toward specialty chemicals in an effort to capture more globalized markets.

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

The dutiable value of chemicals and related products from Sub-Saharan Africa increased from $38.8 million in 1990 to $57.4 million in 1993 and decreased to $51.2 million in 1994. The ATWT on chemicals and related products decreased from 6.9 percent AVE in 1990 to 4.5 percent AVE in 1994. This decline is attributed to the GSP eligibility of certain specialty chemicals from South Africa, which regained its GSP status in May 1994.

The 1994 AVE tariff rates for U.S. imports of chemicals and related products from all sources vary, depending upon the chemical or chemical grouping, as shown in the tabulation below:

Chemical grouping	1994 rate	URA rate
Primary aromatic chemicals and olefins	Free to 2%	Free to 1.2%
Agricultural chemicals	2.8%	1.0%
Miscellaneous finished chemical products	7.0%	3.8%
Pharmaceuticals	4.8%	0 (see text below)
Rubber, plastics, and products thereof	4.0%	0.4%
Miscellaneous chemicals	5% to 5.5%	3.2%

Under the provisions of the URA zero-for-zero initiative on pharmaceuticals, both U.S. and foreign tariffs will be eliminated for pharmaceuticals with an International Non-Proprietary Name whether in bulk or in dosage form, and for certain intermediate chemicals used primarily to produce pharmaceuticals.[35] Duties on all imports of hormones, vitamins, alkaloids, and antibiotics will be reduced to zero. Various chemicals and related products are also subject to reductions under the Chemical Tariff Harmonization Agreement (CTHA), of which the United States is a signatory.[36]

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[35] International non-proprietary names are granted by the WHO.

[36] Under the provisions of the CTHA, certain tariffs in most OECD countries that are above 25 percent will be reduced to 6.5 percent, with a 15-year staging. Tariffs in the 10- to 25- percent range will also be lowered

(continued...)

U.S. imports from Sub-Saharan Africa entering under GSP provisions accounted for about 1 percent of sector imports from the region during 1990-93, but increased to $30 million, or 19 percent of sector imports, in 1994. The increase in 1994 is accounted for by eligible imports of certain specialty chemicals from South Africa.

Sub-Saharan African Tariff Treatment

Currently, tariffs in most countries generally range from free to 10 percent ad valorem for primary aromatic chemicals and olefins. Duty rates on agricultural chemicals, primarily pesticides, range from 8 to 10 percent ad valorem in countries in Sub-Saharan Africa. Duties on pharmaceuticals range from zero to 5 percent ad valorem. For the remaining groupings of chemicals and related products, regional tariffs vary greatly, ranging from 10 to 40 percent ad valorem.[37] After tariff reductions are implemented in WTO countries in Sub-Saharan Africa, tariffs should be reduced by at least 2 percentage points.

Other URA Provisions

No other URA provisions are expected to have a significant effect on this sector. However, certain URA provisions such as the Agreement on TRIPS could benefit U.S. investment in the region.

With respect to TRIPS, some countries in the region are concerned about the costs associated with implementing intellectual property protection in pharmaceuticals and agricultural chemicals.[38] For Sub-Saharan Africa, implementation may be expensive but beneficial. Companies that have not considered investing in Sub-Saharan Africa because of the lack of protection for patents, trademarks, or copyrights will be more likely to consider investing in the region. Also, the Agreement on TRIPS is expected to increase technology transfer in both the public and private sectors of Sub-Saharan Africa.[39]

Other Economic and Trade Considerations

South Africa and Nigeria have labor forces characterized by massive unemployment and a critical shortage of skilled labor.[40] Both nations have also experienced political and social unrest. As a result of these problems, plans to further develop their chemical industries have been delayed.

Energy-Related Products

Overview

The provisions of the URA are expected to result in a negligible change in the U.S. net trade in energy-related products with Sub-Saharan Africa. U.S. and Sub-Saharan tariffs on these products

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[36] (...continued)
to 5.5 percent in 5 years. Tariffs ranging from zero to 5.5 percent will be unchanged but subject to future negotiations. The CTHA includes some safeguard provisions against large surges of imports and provides special consideration for import-sensitive products.

[37] "South Africa's Chemical Industry Prepares to Enter Global Market," *Chemical and Engineering News*, Aug. 8, 1994, pp. 12-25; various tariff schedules for Sub-Saharan Africa; and industry sources.

[38] U.S.-Africa Chamber of Commerce, prehearing brief, July 13, 1995, p. 9.

[39] Ibid., p. 18.

[40] U.S. Department of Commerce, "1994 Country Commercial Guide for South Africa," 1994, pp. 1-5 and Ibid, "1994 Country Commercial Guide for Nigeria," 1994, pp. 1-4.

are already low, and the provisions of the URA will not significantly impact existing trade.[41] Generally, the trade in this sector is dependent upon national security considerations, and this trend is unlikely to change in the future.

U.S. Net Trade Position and Major Trading Partners

The United States is a world leader in terms of both the production and consumption of energy-related products. The domestic industry leads the world in current production technology, as well as in research and development for new production technologies. The United States has historically maintained a negative trade balance for energy-related products, however, as domestic production accounts for approximately 85 to 90 percent of domestic consumption for this sector. The following tabulation shows the U.S. trade balance with Sub-Saharan Africa in this sector during 1990-94 (million dollars):

Year	Exports	Imports	Net trade
1990	112.8	9,353.6	(9,240.8)
1991	127.3	8,539.2	(8,411.9)
1992	119.0	8,980.7	(8,861.7)
1993	130.2	9,055.8	(8,925.6)
1994	113.6	8,421.2	(8,307.6)

Energy-related products comprised the largest sector for U.S. imports from Sub-Saharan Africa during 1990-94. However, the region accounted for less than 15 percent of total U.S. imports of these products from all sources and for less than 1 percent of total U.S. exports of these products to all markets during 1990-94.

In 1994, major sources of U.S. imports of energy-related products from Sub-Saharan Africa included Nigeria, Angola, and Gabon, as shown below (million dollars):

Nigeria	4,529.9
Angola	2,067.1
Gabon	1,207.8
Congo	388.0
Zaire	106.0
All other	122.4
Total	8,421.2

Nigeria and Gabon are both members of the Organization of Petroleum Exporting Countries (OPEC).

Fluctuations in the value of sector imports were generally the result of changes in the price of crude petroleum on the world market. However, U.S. imports from Nigeria increased during 1992-93 because all of the OPEC-member nations increased their production and exports to compensate for the shut-down of Kuwait's crude petroleum wells during the Persian Gulf War and its aftermath. During 1990-94, crude petroleum accounted for 92 percent of imports of energy related products from the region; refined petroleum products accounted for 3 percent; and the remaining 5 percent consisted of various coal chemicals.

[41] U.S.-Africa Chamber of Commerce, prehearing brief, July 13, 1995, p. 9.

Fluctuations in the value of U.S. sector exports to Sub-Saharan Africa were partly due to changing petroleum prices on the world market during 1990-94. The primary regional market for U.S. exports of energy-related products in 1994 was South Africa, which accounted for $92 million, or 81 percent of U.S. exports of energy-related products to Sub-Saharan Africa, as shown below (million dollars):

South Africa	91.6
Ghana	5.3
Kenya	3.3
Cameroon	2.8
Nigeria	2.7
All other	7.9
Total	113.6

Coal and refined petroleum products each accounted for about 45 percent of total U.S. exports of energy-related products to the region during 1990-94; the remaining U.S. exports to these markets included various coal chemicals. U.S. coal exports supplemented shortfalls in South African production to generate electricity and satisfy other industrial demand during 1990-94.[42]

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

The 1994 average U.S. tariff rates for products covered in this sector are relatively low, ranging from free to less than 1 percent AVE. As a result, the likely effect of any reduction in tariff rates is insignificant. For example, electrical energy, natural gas, and coal already enter the U.S. market free of duty. Rates of duty for crude petroleum and petroleum products, the primary energy-related products imported into the United States, and coal chemicals average less than 1 percent AVE. Duties have never been a major deterrent for U.S. imports of energy-related products. U.S. imports of energy-related products are not eligible for duty-free treatment under the provisions of the GSP.

The dutiable value of energy-related products from countries in Sub-Saharan Africa decreased from $8,985 million in 1990 to $7,375 million in 1994. The ATWT for energy-related products from Sub-Saharan Africa increased from 0.5 percent AVE in 1990 to 0.65 percent AVE in 1994.

Sub-Saharan African Tariff Treatment

Energy-related products are usually considered national security products by most nations, including those in Sub-Saharan Africa. Energy-related products are considered essential to a modern industrial economy, and, in most countries, especially those not possessing energy resources, moderate levels of tariffs are not a deterrent to imports. Energy-related products enter Sub-Saharan markets at relatively low tariff rates.

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[42] Even with its large reserves of coal, South Africa exports its higher quality coal, which is the country's second most important source of foreign exchange. As a result, lower quality coal is used to generate electricity. Because of labor unrest in South Africa, the nation has had to import coal to satisfy its domestic demand. U.S. Department of Commerce, "South Africa - Energy Overview," Market Research Reports, IMI950130, Mar. 22, 1995, p. 2.

South Africa is the major market for U.S. exports of energy-related products. South African tariffs on those imports are relatively low, ranging from free to less than 2 percent AVE. South Africa does require import permits on refined petroleum products, but under the provisions of the URA, import permits will no longer be required.

Other URA Provisions

No other URA provisions are expected to have significant effect on this sector.

Other Economic and Trade Considerations

The most important factors affecting trade in this sector are price (for crude petroleum) and security of supply (for coal). Energy-related products can be purchased on the world market at competitive prices and most nations, dependent upon energy imports, want to ensure that supply will not be interrupted. For example, U.S. coal is the highest priced on the world market; however, despite periodic labor problems, U.S. production and exports remain stable.

Although rich in coal reserves, South Africa, the primary sector export market in Sub-Saharan Africa, faces a number of long-term economic problems, including a shortage of skilled labor, high taxes, illiteracy, unemployment, and other problems that could affect future coal production.[43] South Africa has a per capita energy demand of approximately one-fifth of that of the United States. However 65 percent of the population of South Africa does not have access to electricity.[44] About 50 percent of the energy consumed in South Africa is used by industry and 20 percent is accounted for by the transportation sector.[45]

Sasol, the South African Coal, Oil, and Gas Corporation, produces synthetic fuels at three coal gasification plants, which supply nearly 50 percent of the domestic demand for gasoline in South Africa. The remaining demand for gasoline and other motor fuels is supplied by imports. South Africa, with no domestic crude petroleum production, has four operating refineries based on imported crude; expansion plans underway for each refinery could result in decreased South African imports of refined petroleum products by 2000.

The economy of Nigeria, the primary sector supplier in the region, suffers from continued large budget deficits and high inflation. The petroleum industry is the mainstay of Nigeria's economy, with crude petroleum exports accounting for nearly 80 percent of total hard currency earnings.[46] However, labor unrest in Nigeria has resulted in decreased petroleum production and exports during 1990-94, resulting in reduced foreign exchange.

Textiles, Apparel, and Footwear

Overview

The URA are likely to result in a negligible increase in U.S. imports of textiles and apparel from the Sub-Saharan African countries and in U.S. sector exports to the region. U.S. rates of duty on imports of textiles and apparel are being reduced by an average of 2 percentage points to an

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[43] U.S. Department of Commerce, "1994 Country Commercial Guide for South Africa," pp. 1-2.

[44] Ibid., p. 1.

[45] Ibid.

[46] Ibid, "1994 Country Commercial Guide for Nigeria," p. 1.

average of 15.2 percent AVE. The Agreement of Textiles and Clothing[47] is likely to have the greatest long-term impact on sector trade. Under this agreement, developed-country quotas on sector trade are being phased out over 10 years as the sector is integrated into the WTO. Sub-Saharan African countries will face intense competition in the U.S. textile and apparel market with imports from other low-wage countries, particularly Asian countries with established apparel sectors. Because they generally lack a textile and apparel infrastructure and marketing expertise, the Sub-Saharan African countries will face intense competition with the leading Asian sources in the U.S. market as well as in the EU, currently a more important sector market for Sub-Saharan Africa than that of the United States. However, the elimination of quotas will ensure that the tariff cuts improve market access for all suppliers.[48]

The URA are likely to have a negligible effect on U.S. footwear trade with Sub-Saharan African countries. Under the URA, the United States has agreed to reduce its average tariffs on footwear by less than 1 percentage point, or to 10.4 percent AVE.

U.S. Net Trade Position and Major Trading Partners

U.S. trade in textiles and apparel with the Sub-Saharan African countries is small but growing, accounting for about 1 percent of total sector imports and exports in 1994. The U.S. trade deficit with Sub-Saharan Africa in textiles and apparel during 1990-94 is shown in the tabulation below (million dollars):

Year	Exports	Imports	Net trade
1990	129.5	186.3	(56.8)
1991	141.9	167.8	(25.9)
1992	162.7	234.3	(71.6)
1993	155.1	329.4	(174.3)
1994	142.4	405.8	(263.4)

U.S. trade in footwear with the region is negligible; 1994 imports totaled $3.9 million, and exports $9.9 million. South Africa accounted for two-thirds of U.S. footwear trade with Sub-Saharan Africa in 1994. Since footwear accounts for a very minor share of trade with Sub-Saharan Africa, the remaining section of the report will concentrate on the textile and apparel sector.

U.S. textile and apparel imports from Sub-Saharan Africa grew by 118 percent from a very small base during 1990-94, compared with a 42-percent gain in total sector imports.[49] Imports are concentrated in apparel, especially shirts, blouses, and pants, and also cotton fabrics. Most of the import growth from Sub-Saharan Africa came from four leading sources: Mauritius, Lesotho, South Africa, and Kenya. Major import sources in 1994 were as follows (million dollars):

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[47] Agreement on Textiles and Clothing, Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations.

[48] U.S.-Africa Chamber of Commerce, prehearing brief, July 13, 1995, p. 15.

[49] Some of the imports from African countries are reportedly illegal transshipments of goods from other countries to avoid quotas. Carlos Moore, executive vice-president ATMI, official submission to the USITC, Aug. 1, 1995, p. 2.

Mauritius	187.3
Lesotho	62.5
South Africa	61.6
Kenya	38.0
Swaziland	15.5
Zimbabwe	11.3
All other	29.6
Total	405.8

Much of the growth in U.S. sector imports from Sub-Saharan Africa can be attributed to new production in the region resulting from the ongoing globalization of the apparel industry as apparel firms worldwide search for production locations with low-cost labor and whose shipments are not subject to quota.[50] The resumption of trade with South Africa following the 1986-91 embargo spurred imports from that country. Also a likely contribution to the U.S. import growth was the lack of opportunity for Sub-Saharan African countries to expand shipments to the EU, the major market for these Sub-Saharan African goods, as a result of the slow recovery of the EU from the recession of the early 1990s.[51]

U.S. textile and apparel exports to Sub-Saharan Africa rose from $130 million in 1990 to $163 million in 1992 and then declined to $142 million in 1994. The lack of growth of U.S. sector exports to the region reflects low economic growth in the region. South Africa is the principal market for U.S. sector exports, accounting for $42 million in 1994, or a 30-percent share, as shown below (million dollars):

South Africa	42.1
Nigeria	16.4
Zaire	9.1
Ghana	7.3
Tanzania	7.1
All other	60.4
Total	142.4

Used clothing is, by far, the leading U.S. sector export to Sub-Saharan Africa. Shipments of used clothing, the ninth leading U.S. export item to Sub-Saharan Africa in 1994, are often from humanitarian relief organizations and reflect the poverty of most of the people of Sub-Saharan Africa. The level of exports of other sector goods, mostly cotton fabrics, changed little during 1990-94, as shown in the following tabulation (million dollars):

	1990	1991	1992	1993	1994
Total exports	130	142	163	155	142
Used clothing	46	53	72	67	56
All other	84	89	91	88	86

[50] See, for example, Laura E. Jones, executive director, United States Association of Importers of Textiles and Apparel, official submission to the USITC, Aug. 1, 1995, p. 1.

[51] Mauritius exports about three-fourths of its apparel production to the EU, where it enters duty and quota free under the Lomé Convention. H.E. Anund P. Neewoor, Ambassador of the Republic of Mauritius, official submission to the USITC, July 26, 1995, p. 12.

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

The 1994 ATWTs for U.S. sector imports from Sub-Saharan Africa averaged 18.2 percent AVE for textiles and apparel and 7.7 percent AVE for footwear. For the major regional sources, the U.S. duty rate for textiles and apparel averaged 21.0 percent AVE for Mauritius, 18.7 percent AVE for Lesotho, and 15.9 percent AVE for South Africa.

Sector imports under GSP are small because most textiles, apparel, and footwear are not eligible for GSP treatment. GSP imports from Sub-Saharan Africa in 1994 amounted to 0.5 percent of total textile and apparel imports from the region and 3 percent of footwear. In 1994, two-thirds of the textile and apparel GSP imports were from South Africa; most of the remaining GSP imports were from Madagascar. Because most U.S. sector imports of textiles, apparel, and footwear are not eligible for GSP treatment, the URA will likely have a negligible effect on such imports.

The United States agreed to reduce its tariffs on products covered by the Agreement on Textiles and Clothing by an average of 12 percent, from 17.2 to 15.2 percent AVE.[52] For the import sensitive apparel items that dominate sector imports from Sub-Saharan Africa, duty reductions will be less than the average. The duty rates on such imports from Sub-Saharan Africa as cotton pants and shirts and blouses will be reduced by about 6.5 percent AVE and 6 percent AVE, respectively.

Sub-Saharan African Tariff Treatment

South Africa, the major market for U.S. exports in Sub-Saharan Africa, will reduce its textile and apparel duties as shown in the following tabulation (percent AVE):

	Duty rate	
Product	Current	Proposed
Polyester fiber	35	7.5
Yarn	32	15
Fabric	45	22
Home furnishings	55	30
Apparel	90	40

On June 13, 1995, South Africa announced that it would reduce textile and apparel tariff rates over a period of 8 years rather than over 12 years as it pledged in the URA.[53] This action came as officials in Kenya and Zimbabwe were objecting to South Africa's high sector tariffs and as South Africa was negotiating with the EU for trade preferences under the Lomé Convention.

Other URA Provisions

The Agreement on Textiles and Clothing is likely to have a far greater impact on sector trade than any other URA provision. This agreement provides for the liberalization and eventual

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[52] Data on tariff cuts for products covered by the Agreement on Textiles and Clothing were developed by the U.S. Department of Commerce, Office of Textiles and Apparel, based on 1989 trade, the base year for URA tariff negotiations.

[53] U.S. Department of State cable, "Manuel Announces Tariff Cutting Plan," message reference No. 007384, prepared by U.S. Embassy, Pretoria, June 14, 1995.

elimination of quotas on textiles and apparel by the year 2005. World trade in textiles and apparel since 1974 had been governed by quotas negotiated under the MFA. The Agreement on Textiles and Clothing, which replaced the MFA on January 1, 1995, phases out the quotas over 10 years, after which sector trade will be fully integrated into the WTO and subject to the same rules that bind other sectors. The United States had quotas on MFA products from some 45 countries that supplied almost 80 percent of textile and apparel imports in 1994. Quotas are currently applied to U.S. imports from only two Sub-Saharan African countries, Mauritius and Kenya.[54]

The Agreement on Textiles and Clothing is likely to have only a minor effect on U.S. sector trade with Sub-Saharan African countries.[55] In 1994, U.S. quotas on only two product categories for Mauritius and one for Kenya were binding (over 80 percent filled).[56] The accelerated quota growth provided for in the Agreement on Textiles and Clothing will allow increased shipments of these products to the United States until these products are integrated into the WTO on January 1, 2005. Then they will likely face intense competition with shipments to the U.S. market from other countries whose shipments until then had also been restrained by quotas.[57]

The Agreement on Textiles and Clothing is likely to foster further investment in 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, Korea, and Taiwan; Japanese trading companies; and large global apparel firms in the United States and in the EU. The newer apparel producers in Asia, such as members of the Association of Southeast Asian Nations (ASEAN),[58] India, and Pakistan, will receive much of this investment. All of these new exporting countries have established, upstream suppliers to their apparel industries and the management and technical expertise to easily expand output. However, if China becomes a member of the WTO and becomes eligible for quota liberalization, it likely will emerge as the principal beneficiary of this investment.

Other Economic and Trade Considerations

The textile and apparel industries in most Sub-Saharan African countries are uncompetitive in the world market because of inadequate infrastructure and lack of capital. Production costs in the

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[54] The United States' agreement under the MFA with South Africa was made inoperative by the Anti-Apartheid Act of 1986, which prohibited imports of textiles and certain other products from South Africa, and expired in 1988. This act was rescinded in 1991. An agreement with Nigeria that expired on Dec. 31, 1992, and one with Lesotho that expired Nov. 30, 1994, were not renewed.

[55] The Agreement on Textiles and Clothing will reportedly dilute the trade preferences Sub-Saharan African countries have had with the EU under the Lomé Convention. The elimination of quotas on many EU imports from Asian countries will intensify competition between the African countries and Asia in the EU textile and apparel market. Johan J.C. Smit, Standard Corporate and Merchant Bank, posthearing brief, Aug. 1, 1995, p. 7.

[56] For Mauritius, the binding quotas covered men's and boys' woven cotton and manmade-fiber shirts and cotton trousers and shorts; for Kenya, the binding quota covered men's and boys' woven cotton and manmade-fiber shirts.

[57] Shipments from the Sub-Saharan African countries will also face comparable competition in the EU, a market in which imports from most of the Asian exporting countries also face quotas.

[58] The ASEAN countries had comprised Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand until July 1995 when Vietnam also became a member.

Sub-Saharan African countries are generally higher than in Asia, where a fiber, textile, and apparel infrastructure has been established. Imports from Asia and second-hand garments from Europe and the United States have reportedly caused many Sub-Saharan African firms to go out of business.[59] In 1994, import competition caused 51 of the 72 textile and apparel firms in Zambia, 12 in Tanzania, and 3 in Kenya to close.[60] The industry in Zimbabwe has also experienced about a 50-percent reduction (15,000 jobs) in its workforce during 1992 through early 1995.[61] Much of the decline in Zimbabwe's industry resulted from the introduction of high textile and apparel tariffs by South Africa, Zimbabwe's largest sector market, in May 1992 to protect its industry from low-cost Asian imports. This tariff increase occurred at about the same time as a 30-year-old bilateral trade agreement between South Africa and Zimbabwe elapsed and was not renewed.

The textile and apparel industries of several Sub-Saharan African countries are considerably more competitive than those of the region as a whole. The industry in South Africa employs about 180,000 workers and is expected to receive $1.2 billion in support from the government over the next 10 years.[62] Despite the political isolation of South Africa in the 1970s and 1980s, caused by its apartheid policies, the industry invested in up-to-date technology and equipment.[63] Exports, mostly to Europe, currently account for about 10 percent of the industry's output, and the industry has the capacity to expand production.[64]

The apparel industry in Mauritius is the country's largest employer, accounting for about half of the country's exports.[65] The EU is the primary market for these exports,[66] and the United States is the second largest market. Mauritian industry representatives, however, are concerned that U.S. preferential agreements with other apparel suppliers, such as the duty and quota elimination Mexico receives under the North American Free Trade Agreement (NAFTA), will hinder further growth of the apparel industry in Mauritius.[67]

Madagascar established a free-trade zone in 1991 in an effort to increase foreign investment. This free-trade zone has attracted many apparel firms, largely from China and Hong Kong.[68] Most of the output of these firms is exported to the EU, where the imports are given preferential treatment under the Lomé Convention, and to the United States.

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[59] "Africa Trade: Manufacturers Not Ready for the Big League," Comtex Scientific Corp., NewsEDGE/LAN, July 13, 1995.

[60] Ibid., and "Zambia-Economy: Ties that Bind," Comtex Scientific Corp., NewsEDGE/LAN, May, 22, 1995.

[61] "Zimbabwe Asks S. Africa for Tariff Relief," Comtex Scientific Corp., NewsEDGE/LAN, Feb. 16, 1995.

[62] U.S. Department of State cable, "Turmoil in the Textile and Clothing Industries," message reference No. 013901, prepared by U.S. Embassy, Pretoria, Sept. 27, 1994.

[63] George W. Bruenn, "South Africa--Clothing Producer," *Textile Asia*, April 1994, pp. 98-99.

[64] Ibid.

[65] Paul Ryberg, Pierson Semmes, and Bemis, representing the Mauritius-U.S. Business Association, Inc., prehearing brief, July 20, 1995.

[66] Most of the sector shipments to the EU are given preferential treatment under the Lomé Convention.

[67] Ryberg, prehearing brief, July 20, 1995.

[68] U.S. Department of Commerce, "1995 Commercial Guide for Madagascar," 1995, and U.S. Department of State cable, "Customs Team Visits Madagascar Textile Exporters and Leaves Favorably Impressed," message reference No. 003378, prepared by U.S. Embassy, Antananarivo, June 7, 1995.

Minerals and Metals[69]

Overview

The impact of the URA on net trade in the minerals and metals sector is likely to be negligible. The likely effect on U.S. imports of sector products is expected to be negligible because most of the sector's imports already enter duty free. Except for certain iron and steel products, either most U.S. tariffs were not affected by the URA or reductions were minor. Further, most of Sub-Saharan Africa's leading exports to the United States are eligible for duty-free treatment under the GSP. There will likely be little adverse effect on the U.S. GSP benefits of Sub-Saharan countries because of URA tariff reductions. Of the GSP products imported in 1994 from the region, 68 percent, by value, were products that will have no URA tariff reductions; another 18 percent will have tariffs reduced, but not eliminated. An increase in U.S. steel imports could occur because U.S. tariff reductions for iron and steel products are significant (5 to 10 percent in many cases) and because Sub-Saharan Africa (mainly South Africa) has production capacity for many iron and steel products.[70] Although the effect on a specific product segment could be significant, the scope would likely be limited to only a few products because the region's production capacity is not great enough to manufacture a wide variety of iron and steel products in quantities that would cause greater than negligible effects on U.S. imports.

The likely effect of the URA on U.S. exports of sector products is expected to be negligible because it does not appear that sector tariffs in the leading export market, South Africa, were reduced. Also, Sub-Saharan Africa is a small consumer of most mineral and metal products and these countries are small export markets for U.S. goods.

The likely impact of the other URA provisions on trade is negligible. The Agreement on TRIMs does not have a significant effect on natural resource investments, which are the types of investments of interest to investors in this sector. There may be some reduced protection from imports because of revisions to U.S. antidumping and countervailing duty laws under the URA, but it is unlikely to affect a large number of sector products imported from Sub-Saharan Africa.

U.S. Net Trade Position and Major Trading Partners

The United States has a large, persistent trade deficit with the Sub-Saharan African countries, reflecting a lack of domestic deposits of certain mineral products and small export markets for metal products. Little variation exists in the value of trade between the United States and the region during 1990-94, as shown in the following tabulation (million dollars):

Year	Exports	Imports	Net trade
1990 ...	124.1	2,140.0	(2,015.9)
1991 ...	165.4	2,061.2	(1,895.8)
1992 ...	175.1	1,929.5	(1,754.4)
1993 ...	155.0	1,937.8	(1,782.7)
1994 ...	147.8	2,055.8	(1,908.0)

[69] This sector includes ores; concentrates; metal and metal alloys in pure and scrap forms; semifabricated metals (i.e., plate, sheet, strip, bars, rods, tubes, pipes, etc.); articles of stone, plaster, cement, etc.; ceramic products; glass and glassware; precious and semiprecious stones; tools, implements, cutlery, spoons, and forks of base metals; and miscellaneous products of base metal (padlocks, hinges, clasps, etc.).

[70] South Africa steel production is concentrated in carbon and alloy flat-rolled steel products (sheet, strip, and plate, including tin plate) and profile products (angles, shapes, and structurals).

The top import suppliers in Sub-Saharan Africa in 1994 were as follows (million dollars):

South Africa	1,526.8
Ghana	152.9
Guinea	90.0
Zaire	63.7
Zambia	61.5
Other	160.9
Total	2,055.8

The top export markets in Sub-Saharan Africa in 1994 were as follows (million dollars):

South Africa	83.2
Nigeria	21.9
Angola	12.8
Ghana	5.2
Congo	3.9
Other	20.8
Total	147.8

Half of all U.S. imports from the region were unwrought platinum-group metals[71] (33 percent of total value of imports) and diamonds (17 percent), for which the Sub-Saharan region is one of the most important sources in the world. (Russia is the other important source.) Other leading imports include titanium-containing slag and ores/concentrates (9 percent), ferroalloys (8 percent), aluminum ores/concentrates (4 percent), and unwrought cobalt (4 percent). U.S. production of most of these imported products is minor and supplies only a small portion of domestic consumption. The major U.S. export items to the region include oil well tubing/casing, steel pipe/tube, sheet metal roofing, iron/steel castings, flat-rolled steel, and structural steel.

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

The 1994 ATWT on dutiable sector imports was 4.9 percent AVE. Virtually all dutiable imports were from South Africa. Only 16 percent of 1994 imports were dutiable: 78 percent of 1994 U.S. imports from the region, by value, were products with a column-1 general duty rate of free, and another 6 percent of imports entered duty free under GSP provisions. GSP imports totaled $117 million in 1994. Ferroalloy products accounted for 56 percent of these imports.

Under the URA, approximately $200 million of 1994 U.S. imports, or 10 percent of the total, will have tariffs reduced. Reductions will range from under 1 percent to approximately 10 percent, or a trade-weighted reduction of approximately 5 percentage points. The most significant duty reductions are on iron and steel products (excluding ferroalloys), which will decline from 5 to 10 percent AVE to zero under the URA. These products are not GSP-eligible items. Imports of iron and steel products that will have tariffs reduced (mostly flat-rolled products) were approximately $190 million in 1994, 9 percent of total mineral and metal imports from the region.

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[71] Platinum-group metals (PGM) include platinum, palladium, rhodium, ruthenium, iridium, and osmium. PGMs are used in automobile catalytic converters.

There are also other products with significant U.S. tariff reductions under the URA that Sub-Saharan Africa does not currently export to the United States, but could do so in the future. These products include other iron and steel products, such as tubes, pipes, hollow profiles, tube/pipe fittings, and structures (reductions ranging up to 10 percentage points); unwrought zinc alloys (from 19 to 3 percent ad valorem); zinc flakes (from 9.5 to 3 percent ad valorem); lead powders and flakes (from 11.2 to 0 percent ad valorem); certain unwrought and wrought gold products (from 8.2 to 4.1 percent ad valorem); certain semimanufactured base metals coated with gold or silver (from 20 to 6 percent ad valorem); copper articles coated with precious metals (from 10 to 3 percent ad valorem); and copper fittings (from 11.2 to 3 percent ad valorem). However, most of the foregoing products are GSP-eligible products.

Sub-Saharan African Tariff Treatment[72]

It does not appear that there were any significant tariff reductions by South Africa affecting the minerals and metals sector under the URA. The South African bound rates under the URA for the leading export products from the United States (representing over 50 percent of U.S. exports to South Africa in 1994) are equal to, or higher than, the current applied tariffs. South Africa also applies a surcharge of 40 percent to certain ceramic products (ornamental ceramic articles and ceramic ferrules), glass (lead crystal glassware), pearl, semi-precious stone, and jewelry products, and 15 percent to imports of certain other ceramic, glass, jewelry, iron and steel, copper, and aluminum products.

Other URA Provisions

Other URA provisions that affect this sector include the Agreement on TRIMs, the Antidumping Agreement, and the Agreement on Subsidies and Countervailing Measures (Subsidies Agreement). The Agreement on TRIMs strengthens the national treatment requirement for investments. However, U.S. industry representatives are concerned that more stringent investment rules, such as rules that cover the general investment policies of member countries, are not included in the URA.[73] According to these representatives, mining and other natural resource investments can continue to be excluded from national treatment coverage. While many Sub-Saharan Africa countries either have developed extensively high-quality resources or have high potential for discovering such resources, mineral and metal companies want national treatment relative to host-country companies (little or no restrictions on ownership, capital flows, profit flows, etc.) so that they will not be at a competitive disadvantage when undertaking such investments.

U.S. companies are especially interested in foreign investment opportunities because of such domestic factors as the potential revisions in the Mining Law of 1872,[74] deposits of relatively low and declining quality, and uncertain environmental regulations. These factors reportedly have hindered investment decisions and competitiveness, and have contributed to U.S. companies actively searching for foreign investment opportunities. For example, U.S. copper and gold companies have been active in South America, investing billions of dollars over the last few years to develop large deposits. The

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[72] This section applies to South Africa only. Information on other countries in Sub-Saharan Africa was not available.

[73] *Report of the Industry Sector Advisory Committee on Nonferrous Ores & Metals for Trade Policy Matters (ISAC 11) on the Uruguay Round of Multilateral Trade Negotiations*, Jan. 14, 1994.

[74] This law regulates mining on federally-owned land. Proposed revisions will likely include royalty payments and restrict security of tenure.

Agreement on TRIMs is unlikely to spur any significant mineral and metal investments in Sub-Saharan production capacity or to contribute to any potential growth in exports to the U.S. market.

The Antidumping and Subsidies Agreements include *de minimis* margin/subsidy amount requirements as a prerequisite to the issuance of an antidumping or countervailing duty order and also include a sunset provision that applies to outstanding antidumping and countervailing duty orders. These requirements and provisions could reduce the number of orders issued and the duration of such orders. South Africa and Zimbabwe have been the subject of past antidumping and countervailing duty investigations for certain steel and nonferrous products.[75]

The Subsidies Agreement expressly permits certain regional development and environmental subsidies; these so-called "green light" subsidies are not subject to countervailing duty actions. Typically, environmental capital and operating expenditures for mining and mineral processing ventures are significant, especially in the developing countries that generally have not made significant attempts in the past to enforce environmental control measures. Companies that receive government subsidies can have a cost advantage over companies that do not receive such subsidies. Because the U.S. industry is not able to obtain trade relief from green light subsidies, this could decrease the amount of import protection for U.S. mineral and metal producers in the U.S. market.

Other Economic and Trade Considerations

Lack of investment has hindered the development of Sub-Saharan Africa's mining industry for the last several decades.[76] The region has extensive mineral resources, but restrictive investment laws, local disputes, and unstable political situations have discouraged most foreign companies. In contrast, there is a strong trend in other parts of the world to liberalize investment laws with the expressed purpose of attracting foreign investment. South American countries have especially been active and successfully attracted substantial foreign investment. According to one report, South America received approximately 26 percent of worldwide exploration funds in 1994, compared with only 5 percent for Sub-Saharan Africa (excluding South Africa).[77] Some African countries are attempting to alter this global investment pattern by changing their laws. Ghana instituted liberal investment laws in 1988 and has since seen substantial gold production increases. Zimbabwe, Côte d'Ivoire, Guinea, and the Central African Republic have also attracted some foreign investment, mostly in gold and diamond ventures.

South Africa is the leading mineral and metal producer in Sub-Saharan Africa, with a long history of production. It is the world's largest producer of gold, platinum-group metals, and vanadium and ranks as a major producer of diamonds, chromium, fluorspar, gemstones, ilmenite (titanium-containing mineral), lead, manganese, and zirconium. South Africa produces also a wide variety of other minerals and metals. The elimination of most foreign restrictions on investment in South Africa as a result of political changes in the country have contributed to brighter economic prospects that will likely promote new investment interest in the country's mining industry, which could lead to increased production and exports.

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[75] Carbon steel products (plate, wire rod, wire rope, and pipes/tubes), steel billet bars, galvanized steel wire strand, ferrochrome, and low fuming brazing copper wire and rod.

[76] The mining industry produces mineral products, and mining operations are typically integrated at the same site with downstream operations, such as a smelters and refineries, that produce a pure metal.

[77] "Investment in Africa: Momentum Grows," *Mining Journal*, London, June 9, 1995, p.428.

Zaire was an important supplier of unwrought copper to the United States in the past. However, Zaire's copper production has declined substantially during the past 2 years because of a lack of investment and severe production problems. Mine production declined from over 350,000 metric tons in 1990 to 40,000 metric tons in 1994.

Machinery[78]

Overview

The URA will likely result in a negligible overall increase in net machinery trade between the United States and Sub-Saharan Africa. Increases in U.S. imports from the region are likely to be negligible as MFN tariffs are reduced or eliminated under the URA, and, thereby nullify the existing advantage provided by the GSP. This erosion of tariff preferences on machinery will likely occur by 1999, when most tariff reductions will have reached their final level. A negligible increase in U.S. exports is likely as a result of tariff reductions by Sub-Saharan African countries under the URA. For many types of machinery, tariff rates in South Africa, the largest regional U.S. export market, are already free. URA market access concessions by other Sub-Saharan African countries were minimal and appear not to have reduced or eliminated current tariff barriers. Most market concessions by countries in Sub-Saharan Africa were tariff bindings at levels that were higher than the currently applied tariffs.

U.S. Net Trade Position and Major Trading Partners

The United States maintained a large trade surplus with Sub-Saharan Africa in machinery, reflecting the need for machinery inputs in the region's economies. U.S. exports of machinery accounted for 13 percent of total U.S. exports to Sub-Saharan Africa in 1994, while U.S. imports of machinery accounted for 0.4 percent of total U.S. imports from the region. Both U.S. exports and the trade surplus peaked in 1993, as shown in the following tabulation of trade in machinery with the region during 1990-94 (million dollars):

Year	Exports	Imports	Net trade
1990	478.0	36.6	441.4
1991	494.5	37.4	457.1
1992	610.3	33.9	576.4
1993	606.1	40.7	565.4
1994	581.1	44.1	537.0

South Africa was the leading foreign market for U.S. exports of machinery to Sub-Saharan Africa, accounting for 54 percent of such exports to the region in 1994. Nigeria was the next largest regional market, accounting for 16 percent. The leading five markets[79] for U.S. exports of machinery to the region in 1994 were as follows (million dollars):

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[78] This sector encompasses 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, valves, mineral-processing machinery, certain electric power generation and transmission equipment, electric motors and generators, and electric household appliances.

[79] Of these five countries, only Angola is not yet a member of the WTO, but is a member of the GATT.

South Africa	315.6
Nigeria	95.8
Zimbabwe	20.9
Angola	16.5
Côte d'Ivoire	12.9
All other	119.4
Total	581.1

During 1990-94, U.S. exports of machinery to South Africa ranged from 44 to 54 percent of the total of such exports to Sub-Saharan Africa, and those to Nigeria ranged from 12 to 29 percent. Exports to Nigeria rose substantially in 1992 and 1993, before falling sharply in 1994. Exports to other Sub-Saharan African countries varied significantly, and, in many instances, were one-time exports.

Exports of certain types of machinery fluctuated greatly in response to particular projects in individual countries; for example, exports of electric generators totaled $57 million in 1992 (principally to Nigeria), but were $15 million in 1994. The leading U.S. exports of machinery to the region were as follows (million dollars):

Agricultural and horticultural machinery	151
Parts of derrick equipment[1]	52
Pumps	36
Valves	29
Mineral processing machinery	24
All other	289
Total	581

[1] Derrick equipment is covered with construction machinery in the Transportation sector profile.

As shown below, the five leading sources[80] of U.S. imports of machinery from Sub-Saharan Africa in 1994 were (million dollars):

South Africa	37.0
Sierra Leone	4.0
Mauritius	1.0
Zimbabwe	.7
Côte d'Ivoire	.4
Other	1.0
Total	44.1

South Africa was the leading source of U.S. imports of machinery from Sub-Saharan Africa during 1990-94[81] and accounted for 84 percent of such imports in 1994.[82] The second leading source was Sierra Leone, which accounted for 9 percent of imports.

[80] Of these five countries, only Sierra Leone is not yet a member of the WTO, but is a member of the GATT.

[81] During 1990-94, there were no U.S. imports of machinery from Benin, Burundi, Central African Republic, Chad, Djibouti, Equatorial Guinea, Eritrea, Guinea-Bissau, Lesotho, Malawi, Mauritania, and Sao Tomé and Principe.

[82] In 1994, there were no imports of machinery from Angola, Burkina, Comoros, Congo, Gambia, Ghana, Madagascar, Mali, Mozambique, Nigeria, Rwanda, Somalia, Sudan, Tanzania, Togo, Uganda, Zambia and Zaire.

The major U.S. import items from Sub-Saharan Africa were mineral processing machinery[83] (36 percent of total machinery imports in 1994, $16 million), agricultural and horticultural machinery (12 percent, $5 million), and heat exchangers (8 percent, $4 million). During 1990-94, the composition of imports changed. Imports of agricultural and horticultural machinery fell from 30 percent in 1990 to 12 percent in 1994, while imports of heat exchangers for industrial equipment rose from zero in 1990 to 8 percent in 1994. The remaining 40 percent of U.S. imports consisted of a wide variety of machinery, with entries under individual tariff items generally not exceeding one half million dollars.

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

In 1994, the ATWT on dutiable U.S. imports of machinery from Sub-Saharan Africa was 3.4 percent AVE. Under the URA, the ATWT will fall by 81 percent, to 0.6 percent, based on 1994 trade. This reduction in ATWT will occur in 1999 rather than 2004, because virtually all of the tariff reductions on machinery will occur during 1995-99. The URA will significantly reduce the tariff advantage that Sub-Saharan African countries receive under the GSP.

For individual countries, the ATWT ranged from 2.5 percent AVE to 5.1 percent AVE. The ATWT on imports from South Africa was 3.4 percent AVE, as South Africa accounted for 87 percent, or $14.3 million, of the $16.4 million of dutiable U.S. imports of machinery from Sub-Saharan Africa. The second largest source of dutiable imports was Mauritius, with imports of $977,000 in 1994 and an ATWT of 3.6 percent AVE. U.S. column-1 tariffs on machinery ranged from zero on such products as agricultural machinery to 10 percent ad valorem on certain electric motors.[84]

In 1994, duty-free imports under the GSP from Sub-Saharan Africa accounted for 49 percent of total machinery imports principally because South Africa was granted GSP beneficiary status in May of that year. During 1990-93, imports under the GSP accounted for less than 2 percent of total U.S. imports of machinery. Dutiable imports of machinery accounted for 37 percent of total sector imports in 1994, but accounted for 66 to 80 percent during 1990-93.

Imports of machinery entered under tariff subheadings with a column-1 duty rate of free as a share of total imports of machinery fell to 14 percent in 1994 from 35 percent in 1990, principally because imports of agricultural or horticultural machinery from South Africa declined.

Sub-Saharan African Tariff Treatment[85]

South Africa made the most extensive URA tariff concessions on machinery among Sub-Saharan African countries. South Africa's URA tariff rates in the machinery sector were reduced or eliminated or low, unbound rates were bound at higher rates. South Africa's currently applicable tariffs on many types of machinery are zero, but otherwise tariffs range up to 30 percent ad valorem. U.S. exports of agricultural and horticultural machinery, which account for 22 percent of total

[83] Mining machinery is covered by construction machinery in the Transportation sector profile.

[84] Output under 18.65 W, synchronous, valued not over $4 each.

[85] This discussion focuses on South Africa and Nigeria because they accounted for 70 percent of U.S. sector exports in 1994, while the remaining export destinations accounted for 4 percent or less of total exports.

machinery exports to South Africa, generally enter duty free. South Africa also levies an import surcharge, although the rate is zero for agricultural implements, intermediate and capital goods, and goods used by both consumers and manufacturers. For appliances and certain other consumer goods covered in this sector, the surcharge is 15 percent on the customs value (f.o.b.) of the imported good. Imports of used machinery, such as used machine tools, are subject to import licensing.[86]

Under the URA, Nigeria bound many of its machinery tariffs at rates from 40 to 50 percent ad valorem and bound other duties and charges at 80 percent. Imports of machinery, like other products, are limited by the Government of Nigeria's strict controls on foreign exchange. Most imports are also subject to preshipment inspection procedures.[87]

Other URA Provisions

Aside from market access concessions, the only other URA provision likely to affect trade in this sector is the Agreement on Preshipment Inspection (PSI).[88] PSI procedures, are required by many developing countries for fraud reduction or for balance-of-payments reasons, tend to slow the flow of commerce and raise costs to exporters. Nigeria is the largest Sub-Saharan African market for machinery that requires such inspections.

Other Economic and Trade Considerations

In general, imports of machinery by countries in Sub-Saharan Africa have been limited by the small size of individual country markets and by a lack of disposable income to purchase imported goods, such as powered handtools and consumer appliances. Machinery inputs into Sub-Saharan Africa's manufacturing sector are likely to be limited because the manufacturing sector tends to focus on natural resource processing, to be labor intensive, and generally to have a low level of value added.[89] The lack of foreign exchange limits the ability of most Sub-Saharan African governments to purchase machinery for the public sector. In particular, the recent decline in the value of the South African rand against the U.S. dollar has restrained machinery exports to South Africa,[90] and the lack of foreign exchange held by Nigeria is limiting its imports.[91]

The future level of U.S. exports of machinery used in public works and state-owned industries, including utilities, may depend in large part on the amount of U.S. economic development assistance that is available. However, recent efforts to privatize state industries in South Africa and Nigeria may lead to increased demand for imported machinery for these industries.[92]

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[86] U.S. Department of Commerce, "1995 Country Commercial Guide for South Africa," 1995.

[87] Ibid, "1995 Country Commercial Guide for Nigeria," 1995.

[88] Agreement or Preshipment Inspection, Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. The agreement seeks to ensure that PSI activities are carried out in an objective, uniform, and non-discriminatory manner that does not create trade barriers.

[89] Johan J.C. Smit, posthearing brief, Aug. 1, 1995, p. 3.

[90] U.S. Department of Commerce, "1995 Country Commercial Guide for South Africa."

[91] Devaluation of the Nigerian currency was making imports of new equipment too costly for consumers. See Ibid, "Nigeria--Used Equipment (MED,HVAC,AUTO)" Market Research Reports, IMI950411, July 10, 1995, and Ibid, "1995 Country Commercial Guide for Nigeria."

[92] For example, Nigerian imports of electricity generating machinery have increased because of the inability of the state electric company to supply electricity. In response, the Government of Nigeria announced that it

(continued...)

Transportation Equipment[93]

Overview

The URA are expected to have a negligible effect on U.S. imports, exports, and net trade in the transportation equipment sector. U.S. transportation equipment imports from Sub-Saharan Africa are expected to increase only negligibly as a result of the URA because there is very little production of transportation equipment in the region. Moreover, average U.S. tariffs on these products were low even before the URA were negotiated. The URA may result in a negligible but positive increase in U.S. sector exports to South Africa; however, U.S. exports to other markets in Sub-Saharan Africa are not expected to increase as a result of the URA.

South Africa, by far the leading trading partner and the only country to make meaningful WTO commitments in the transportation sector, has basically codified its current tariff position. South Africa committed to bind and lower tariffs on construction and mining equipment, but in the other sector areas, South Africa's tariff rates were either already at zero, or have been bound within the approximate pre-URA range. Other URA provisions are expected to have a negligible effect on the transportation equipment sector as well.

U.S. Net Trade Position and Major Trading Partners

Transportation equipment represents the most important sector in terms of U.S. exports to Sub-Saharan Africa, accounting for nearly 22 percent of total U.S. exports to the region in 1994, down from nearly 32 percent in 1990. However, transportation equipment represents one of the least important sectors in terms of total U.S. imports from the region, consistently accounting for less than 1 percent of imports during 1990-94.

The U.S. trade surplus with Sub-Saharan Africa in the transportation equipment sector increased from 1990 to 1991, and decreased steadily thereafter, as shown in the following tabulation (million dollars):

Year	Exports	Imports	Net trade
1990	1,257.9	14.1	1,243.8
1991	1,670.5	18.2	1,652.3
1992	1,525.8	22.1	1,503.7
1993	1,198.2	29.3	1,168.9
1994	937.0	34.1	902.9

Supporting the net trade trend, U.S. exports of transportation equipment to the region increased from 1990 to 1991 and decreased steadily thereafter. Major declines in U.S. transportation equipment exports during 1991-94 were likely attributable to economic recession and political strife in the three leading markets.

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[92] (...continued)
was going to privatize the company. See U.S. Department of Commerce, "Nigeria--Electric Generation Equipment," Market Research Reports, ISA9304, Apr. 1993.

[93] Included in the transportation equipment sector are motor vehicles and motor-vehicle parts, engines; aircraft and spacecraft, locomotives and rolling stock, ships, tugs, and pleasure boats, construction and mining equipment, and miscellaneous vehicles.

In 1994, South Africa was the leading market for U.S. exports of transportation equipment to Sub-Saharan Africa, accounting for $337 million in sector exports, or 36 percent of sector exports to the region, as shown below (million dollars):

South Africa	337.4
Nigeria	203.0
Angola	83.9
Zimbabwe	39.8
Madagascar	37.1
All other	235.8
Total	937.0

Nigeria and Angola accounted for 22 percent and 9 percent, respectively, of sector exports in 1994.

U.S. sector imports from the region increased by 142 percent during 1990-94. South Africa was the leading source of U.S. imports throughout the period, accounting for $32 million in sector imports, or 93 percent of sector imports from Sub-Saharan Africa, in 1994 as shown below (million dollars):

South Africa	31.6
Zaire	0.7
Zimbabwe	0.6
Mauritius	0.3
Sierra Leone	0.3
All other	0.8
Total	34.1

Zaire and Zimbabwe were the second- and third-leading sources in the region for U.S. transportation equipment imports in 1994. These countries, however, together accounted for less than 4 percent of sector imports in that year.

Within the transportation equipment sector, certain parts of boring or sinking machinery were the leading U.S. export to the Sub-Saharan region, accounting for 5 percent of total U.S. exports to the region in 1994. Certain parts of airplanes and helicopters accounted for 3 percent, and light and small commuter aircraft accounted for 1 percent of total U.S. exports to the region in 1994. These three product exports ranked second, fourth, and eighth, respectively, in terms of total U.S. exports to the region. Transportation equipment imports from the region include motor-vehicle parts, transport containers, and parts for railway or tramway locomotives and rolling stock.

Key Uruguay Round Provisions Affecting Transportation Equipment

U.S. Tariff Provisions

In 1994, the ATWT for transportation equipment imports from Sub-Saharan Africa was 3.46 percent AVE. South Africa accounted for 94 percent of the dutiable value of imports from the region; the ATWT duty for imports from this country was 3.49 percent AVE in 1994. GSP imports accounted for less than 4 percent of total transportation equipment imports from the region during 1990-93, but 35 percent in 1994. There were no GSP imports of transportation equipment from the region in 1992.

South Africa accounts for the preponderance of sector GSP imports. In 1994, imports of 11 transportation equipment items from South Africa accounted for over 85 percent of all GSP imports from the region. The column 1 rate of duty on these items ranged from 1.5 percent ad valorem for sailboats, to 6 percent ad valorem for parachutes. Most of the 11 products, however, are automotive parts with column 1 rates of duty at 3.1 percent ad valorem. Because the tariffs from which South Africa is receiving relief are relatively low, GSP preferences do not provide significant benefits.

U.S. duties on transportation equipment will decrease under the URA. U.S. tariffs on imports of transportation equipment range from free for a wide variety of products, such as many types of engines, certain ships, containers, forklift trucks, and civil aircraft, to 25 percent ad valorem for certain types of trucks (this high rate is unusual for the sector). ATWTs in this this sector are relatively low; therefore, the duty decreases are generally slight, and range from 0.01 percent to 1.4 percent as shown in the following tabulation (percent AVE):

Commodity	1993 ATWT	ATWT Under URA
Motor vehicles	3.2	3.2
Motor-vehicle parts	3.5	2.5
Aerospace equipment	0.8	0.5
Other transportation equipment	2.5	1.1

Note: Not included in the above categories are construction and mining equipment, and industrial trucks. The United States committed to reducing tariffs on construction and mining equipment to zero by 1999; tariffs on these products ranged from zero to 5.7 percent in 1994. Industrial trucks entered the United States free of duty prior to the URA.

Sub-Saharan African Tariff Treatment

Tariffs on transportation equipment imposed by Sub-Saharan countries range from zero to at least 100 percent ad valorem. Of the important markets for U.S. exports, South Africa is the only one to offer WTO commitments that substantially cover the range of products in the transportation equipment sector.[94] South Africa has committed largely to bind tariffs in this sector under the URA (table 5-3). These tariff bindings do not necessarily reflect the applied tariff rate, however, which can be considerably lower.

For South Africa, miscellaneous parts and attachments for construction and mining equipment constitute the only sector products where there may be an appreciable lowering of tariffs. Current tariffs ranging from 5 to 22 percent ad valorem will be bound at 10 percent ad valorem under the URA. South African tariffs on automobiles, currently 100 percent ad valorem, will be bound at 50 percent ad valorem over 6 years. This tariff change will benefit European and Asian automakers as well as U.S. automakers, and may have a positive, but negligible, effect on U.S. auto exports to South Africa. Additionally, the tariff will still be high after it is fully implemented considering South Africa has a sizeable automobile manufacturing base.

[94] Among the top five markets listed here, only Angola has not yet ratified the URA.

Table 5-3
Republic of South Africa: Current tariff treatment, pre-World Trade Organization (WTO) bound/unbound[1] rates of duty, and WTO bound rates of duty by major product category

Product	Current tariff treatment	Pre-WTO bound [B]/ unbound [U] rate of duty	WTO bound [B] rate of duty
Parts of airplanes and helicopters	Zero	Zero [B]	Zero [B]
Airplanes >2,000 kg but <15,000 kg ...	Zero	Zero [B]	5 % [B]
Miscellaneous parts and attachments for construction and mining equipment ..	5-22 %	Zero [B]-25 % [B]	10 % [B] (1 item bound at Zero) (excluding those for boring & sinking machinery)
(New bound rates for products in this grouping decreased for 5 of the 11 line items)			
Dumpers for off-highway use	20 %	20 % [U]	50 % [B] (over 6 years)
Miscellaneous auto parts	5-20 %	All 50 % [U] (1 item bound at Zero)	30 % [B] (over 7 years)
Bucket, shovel, grab, and grip attachments for construction and mining equipment	Zero	Zero [B]-12 % [U] (10 % if over 250 kg)	10 % [B]
Certain parts of spark-ignition internal combustion piston engines	Zero-19 %	Zero [B]-50 % [U]	15 % [B] or 30 % [B] (over 7 years)
Parts of turbojets and turbopropellers ...	Zero	Zero [U]-20 % [B]	Zero [B]

[1] Unbound means that the country reserved the right to raise tariffs above that level.

Source: URA; U.S. Department of Commerce.

However, a schedule of duty reductions beyond South Africa's URA commitments is currently being reviewed by the South African Government.[95]

Nigeria offered to bind the duty rate for certain parts of boring or sinking machinery, cranes, industrial trucks, and construction and mining equipment at 45 percent, with other duties and charges at 80 percent. Exports of this equipment accounted for 1 percent of total U.S. exports to the region and for 2 percent of total transportation equipment exports to Nigeria in 1994. Nigerian tariffs on passenger vehicles range from 30 to 100 percent ad valorem.[96] All 'completely knocked down' components imported for vehicle assembly enter Nigeria duty free.[97]

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[95] Under this proposed schedule, tariffs on imported vehicles would drop to 65 percent for cars and pick-up trucks, and 40 percent for medium- and heavy-duty trucks beginning September 1, 1995. By 2002, the duty on cars and pick-ups would be reduced to 40 percent, and the tariff on trucks would drop to 20 percent by 2000. Moreover, vehicle manufacturers would be entitled to a 27-percent duty-free allowance on all parts to be used in original equipment, and local content requirements would be removed. These proposals are designed to step up competition in the South African auto market, thereby reducing prices for all types of vehicles. "Tariff Cut Paves Way for More Competition in S. Africa," *Ward's Automotive International*, July 1995, p. 6.

[96] USTR, *1995 National Trade Estimate Report on Foreign Trade Barriers* (Washington, DC: GPO), 1995, p. 247.

[97] U.S. Department of Commerce, "Africa - Auto Parts Market Profile," Market Research Reports, STR9406, Mar. 21, 1995.

Other URA Provisions

There are several URA that are likely to benefit the transportation equipment sector. These include the Agreement on TRIMs, which is intended to progressively limit the ability of developing countries to manipulate trade through local content and minimum export requirements. Agreements on Rules of Origin[98] and Safeguards may also benefit this sector because they likely will bring about greater consistency, transparency, and predictability in the area of auto parts. Other agreements that may affect the transportation equipment sector include: the Agreement on Preshipment Inspection, Agreement on Government Procurement,[99] and Agreement on Import Licensing Procedures.[100] These agreements will provide for increased transparency and harmonization, which have been problems for U.S. exporters of construction and mining equipment in particular. Nigeria is not a signatory to the GATT Government Procurement Code.[101]

Other Economic and Trade Considerations

Trade with Sub-Saharan Africa in the transportation equipment sector is affected by a variety of factors, including the level of manufacturing capacity and technological capability, non-tariff barriers to trade, and economic and political stability. South Africa is a global leader in the manufacture of railway and rolling stock and mining machinery and equipment,[102] and is an increasingly important manufacturer of motor vehicles.[103] This type of industrial activity creates a market for transportation equipment parts. Transportation equipment manufacturing is not a primary component of the Nigerian and Angolan economies.

South African nontariff barriers to trade that directly affect transportation equipment include a 50-percent local content requirement on motor vehicles produced in South Africa[104] and an import surcharge of 15 percent for most types of transportation equipment.[105] Similarly, Nigeria places a 7-percent surcharge on imported motor vehicles.

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[98] Agreement on Rules of Origin, Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. The agreement sets forth a timetable under which GATT rules of origin will be developed and implemented. The agreement is intended to ensure that such rules are clear and are applied in an impartial, transparent, predictable, neutral, and consistent manner.

[99] Agreement on Government Procurement, Annex 4B, Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. A revised text is expected to enter into force January 1, 1996. The revised text seeks to increase transparency in the laws, regulations procedures, and practices relating to government procurement and seeks to ensure that they are not used as barriers to trade. Negotiations to expand coverage to subcentral governments and government-owned utilities will continue with the EU, Japan, and Canada.

[100] Agreement on Import Licensing Procedures (ILP), Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. The agreement seeks to ensure, inter alia, that import licensing procedures are transparent and applied in a fair and equitable manner, and are not utilized in a manner contrary to the principles and obligations of the GATT 1994.

[101] U.S. Department of State, "Country Reports on Economic Policy and Trade Practices: Nigeria," Apr. 20, 1995.

[102] U.S. Department of Commerce, "1994 Country Commercial Guide for South Africa."

[103] Ibid.

[104] A proposal currently before the South African Government would eliminate local content requirements. *Ward's Automotive International*, July 1995, p. 6.

[105] U.S. Department of Commerce, "1994 Country Commercial Guide for South Africa."

More important, however, is the difficulty of obtaining foreign exchange in order to open letters of credit. This has been emphasized as a barrier with respect to imported automobile parts for which there is a growing market in Nigeria.[106] Foreign exchange is also a problem in Angola, where it is reportedly difficult to procure import licenses from Angolan Government authorities for goods to be purchased with government-provided foreign exchange.[107]

South Africa has an extensive reconstruction and development plan, which could result in a growing market for construction equipment.[108] Despite deteriorating economic conditions in Nigeria, the oil and gas field machinery sector is expected to remain active, as petroleum production is the primary activity of the Nigerian economy.[109] Similarly, the construction equipment sector is likely to sustain less contraction than is being felt throughout the remainder of the Nigerian economy.[110] Although Angola is the third-leading market for U.S. exports of transportation equipment, it is a poorly-developed, sparsely-populated, and war-torn country. Angola has a heavily damaged infrastructure, which would indicate a market for construction equipment; however, reconstruction is likely to be a long and difficult process because of lack of funds.[111]

A recent trend in both South Africa and Nigeria toward the maintenance of older vehicles is increasing opportunities for U.S. automotive parts exports. However, the United States currently has only a 1.5 percent import market share in South Africa,[112] having lost considerable market share as a result of economic sanctions and disinvestment.[113] Nigeria depends heavily on imports of motor-vehicle parts for both the aftermarket and for incorporation in original-equipment assembly;[114] in fact, Nigeria is the largest market in Sub-Saharan Africa for U.S. automotive products,[115] and ranks as the fifth fastest growing market in the world for U.S. exports of auto parts and service equipment. However, non-U.S.-based local assembly operations, along with the Asian- and European-dominated auto import market, limit possibilities for U.S. auto parts in that country.[116, 117]

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[106] Ibid, "Nigeria: Auto Parts Market Overview," Market Research Reports, IMI940429, Apr. 29, 1994.

[107] U.S. Department of State, "Country Reports on Economic Policy and Trade Practices: Angola," July 19, 1994.

[108] U.S. Department of Commerce, "1994 Country Commercial Guide for South Africa."

[109] Ibid, "1995 Country Commercial Guide for Nigeria."

[110] Ibid.

[111] U.S. Department of State, "Economic Policy and Trade Practices: Angola."

[112] U.S. Department of Commerce, "Africa - Auto Parts Market Profile," Market Research Reports, STR9406, Mar. 21, 1994.

[113] Ibid, "World - Autoparts and Service Equipment," Market Research Reports, BMR9405, Mar. 21, 1995.

[114] Vehicle assembly operations in Nigeria began in 1992, with the assembly of 17,000 vehicles in that year. Ibid, "1994 Country Commercial Guide for Nigeria."

[115] Ibid, "Africa - Auto Parts Market Profile," Market Research Reports, STR9406, Mar. 21, 1995.

[116] Ibid, "Nigeria: Auto Parts Market Overview," Market Research Reports, IMI940429, Apr. 29, 1994.

[117] Major importers and distributors of automotive spare parts and accessories in Nigeria represent mostly manufacturers and suppliers from the Asia-Pacific and European regions. Local production in this sector is limited. There are a few small importers and distributors of U.S. automotive products, but these products are sold at uncompetitive prices. Several U.S. manufacturers are currently exploring distributorship opportunities in Nigeria. Ibid, "Nigeria - Auto Parts Market Overview," Market Research Reports, IMI950306, Mar. 22, 1995.

Electronic Products [118]

Overview

The URA are expected to have a negligible impact on the overall trade in electronic products between the United States and Sub-Saharan Africa. Although increased tariff transparency in Africa will facilitate U.S. exports, the African market for electronic goods remains limited by low incomes and by lack of foreign exchange in many countries. Over time, the impact of strengthened intellectual property regimes and improved investment conditions in WTO-member countries may facilitate U.S.-African transactions, but increases in overall U.S. sector exports are expected to be minimal.

The impact of the URA on U.S. imports of electronic products from Sub-Saharan Africa is expected to be also negligible. While U.S. tariffs on most electronic products are being reduced, the overall level of U.S. imports from Sub-Saharan Africa in this industry sector is minimal and is not expected to increase significantly. The benefits of the GSP program will be decreased slightly as a result of tariff reductions on electronic products under the URA. This decrease will have only a negligible impact on trade since Sub-Saharan Africa does not export large quantities of electronic equipment.

U.S. Net Trade Position and Major Trading Partners

Electronic products accounted for over 15 percent of total U.S. exports to Sub-Saharan Africa in 1994 and for 0.2 percent of total U.S. imports. Production of electronic products in Sub-Saharan Africa is minimal; most countries depend on imports to fill demand. As a result, the United States maintains a net trade surplus. Overall trade with the region has expanded as a result of increased U.S. investment in South Africa following the gradual removal of worldwide economic sanctions. The following tabulation shows the U.S. trade balance in electronic products with the region during 1990-94 (million dollars):

Year	Exports	Imports	Net trade
1990	476.2	13.4	462.8
1991	561.5	12.3	549.2
1992	595.5	19.9	575.6
1993	645.5	20.1	625.4
1994	675.9	28.5	647.4

During this period, U.S. exports of electronic products to Sub-Saharan Africa expanded at an average annual rate of 9 percent. The growth in exports was driven primarily by private and public sector efforts to improve computer networks and communication infrastructures. Within the Sub-Saharan region, South Africa is the largest market for U.S. products, accounting for 70 percent of total U.S. exports of electronics in 1994.

[118] Electronic products include: computers and peripherals, semiconductors, electronic components, recorded media, consumer electronics, telephone and telegraph apparatus, office equipment, optical fibers, photographic equipment, navigational and surveying instruments, medical equipment, and watches and clocks.

Other major export markets in 1994 included Nigeria, Côte d'Ivoire, Angola, and Zimbabwe, as shown below (million dollars):[119]

South Africa	474.4
Nigeria	37.7
Côte d'Ivoire	19.7
Angola	16.4
Zimbabwe	15.5
All other	112.2
Total	675.9

Computer hardware, mobile telecommunications equipment, and recorded media account for the vast majority of U.S. trade in electronics with Sub-Saharan Africa. The largest U.S. exports to the region in 1994 were computers and peripherals, most of which were exported for use by large multinational companies that are investing in the region; these include AT&T, Ford Motor Corp., Citicorp, and Eastman Kodak.[120] A few countries, such as South Africa, Nigeria, Mauritius, and Botswana, are importing U.S. computer parts for small-scale domestic assembly operations of personal computers. Cellular and wireline telecommunications equipment also accounted for a significant share of total U.S. exports of electronics to Sub-Saharan Africa in 1994, reflecting countries' efforts to improve communication capabilities.[121] Many Sub-Saharan African countries are adopting wireless communication systems in an effort to bypass insufficient fixed-line availability and long waiting lists for telephones.[122] Other important U.S. exports to the region include recorded media products, such as compact discs, videos, and computer software. Most of these goods are destined for sale in South Africa, where disposable income and consumer demand for entertainment products are slightly higher than in any other Sub-Saharan African countries. Also included in U.S. exports of electronics, are medical equipment purchased by government health organizations or by assistance agencies, and electronic surveying instruments destined for mining and oil exploration.

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[119] Most U.S. trading partners in Sub-Saharan Africa are members of the WTO. Among the top five markets listed here, only Angola is awaiting final approval of the URA by its national legislature.

[120] Since 1991, the number of U.S. companies with foreign direct investment or operations in South Africa has increased by 29 percent, (Investor Responsibility Research Center, Washington, DC), which has increased demand for U.S. electronic products.

[121] Telecommunications infrastructures are regarded as strategic tools of economic development for businesses and countries alike. Several studies show a direct link between the efficiency of telecommunications infrastructures and foreign investment. As a result, many international organizations are encouraging governments in Sub-Saharan Africa to invest in telecommunications infrastructures. For more information, see Robert J. Saunders, Jeremy L. Warford, and Bjorn Wellenius, *Telecommunications and Economic Development* (Baltimore: Johns Hopkins University Press, 1994). In addition to internal efforts to improve communications, several multinational companies are planning to lay an undersea fiber optic cable around the entire continent to improve access to all countries.

[122] According to 1992 statistics, Sub-Saharan African countries average just 0.4 lines per 100 inhabitants (compared to 57 lines per 100 in the United States) and waiting times for telephones average 8 years. Slightly better conditions exist in some countries, namely South Africa, Mauritius, and the Seychelles. For more information, see International Telecommunications Union (ITU), *African Telecommunication Indicators* (Geneva: ITU, March, 1994), p. A-4. The following countries are establishing cellular systems: Mauritius, South Africa, Zaire, Ghana, Tanzania, Nigeria, Gambia, Kenya, Côte d'Ivoire, and Mozambique.

U.S. imports of electronic products from Sub-Saharan Africa are relatively insignificant, reflecting the absence of any notable direct investment in manufacturing facilities by major electronics firms. Mauritius and South Africa are the two largest suppliers of electronic products, accounting together for nearly 72 percent of total U.S. imports from the region in 1994.[123] Lower levels of imports came from Cameroon, Kenya, and Mali in 1994 as shown below (million dollars):[124]

Mauritius	10.9
South Africa	9.6
Cameroon	1.6
Kenya	1.4
Mali	1.2
All other	3.8
Total	28.5

U.S. imports, while minimal, consisted primarily of various types of telecommunications and computer equipment.

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

U.S. tariffs on imports of electronic products from Sub-Saharan Africa are relatively low. During 1990-94, 20 to 30 percent of all imports from Sub-Saharan Africa entered duty free under the GSP program.[125] On dutiable electronics imports, the ATWT was 4.9 percent AVE in 1994, down from 5.3 percent AVE in 1990.

Under the URA, U.S. duties on electronic products will decline by a range of 0.7 to 4.8 percentage points, thus decreasing the ATWT for those countries that are members of the WTO as shown in the following tabulation (percent AVE):

Product	1993 ATWT	ATWT under URA
Office equipment and computers	3.7	2.4
Telecommunications equipment and fiber optics	6.4	1.6
Recorded media	0.8	0.4
Semiconductors and other electronic products	1.4	0.7
Instruments	5.2	3.0
Medical equipment	4.7	0.0
Photographic and optical equipment	4.7	2.2

Nevertheless, the impact of these U.S. tariff reductions on imports from Africa will likely be negligible since most electronics imports from Sub-Saharan Africa already enter duty free under the GSP program or at a low tariff rate.

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[123] Mauritius reportedly is trying to diversify its export economy away from textiles and sugar. Toward this goal, it is importing electronic parts and undertaking assembly of computers for re-export.

[124] Of these five countries, only Cameroon is not yet a member of the WTO.

Sub-Saharan African Tariff Treatment

Among the top five U.S. export markets in Sub-Saharan Africa, tariffs on electronics prior to the URA ranged from a low of 0 percent ad valorem on certain types of computer hardware to a high of 100 percent ad valorem on certain wireless transmission products. In South Africa, the largest market for U.S. electronic products, pre-URA tariffs were 0 percent for computer hardware and peripherals, 20 percent ad valorem for computer software, 15 percent ad valorem for recorded media, 5 percent ad valorem for telephone and telegraph apparatus, and 0 to 15 percent ad valorem for wireless telephone products.[125] In Nigeria and Côte d'Ivoire, the second and third largest export markets for electronic products in the region, tariffs ranged between 15 percent and 35 percent ad valorem prior to the URA.[126]

Only a few Sub-Saharan countries actually committed to bind tariffs on electronic products under the URA.[127] Of the top three U.S. export markets, only South Africa submitted comprehensive tariffs on electronic products (table 5-4).[128] In some instances, South Africa bound its rates at levels that are higher than applied duties to provide some flexibility in tariffs over time. At a minimum, the transparency afforded by bound tariff rates can be perceived as a benefit to U.S. firms exporting electronics to the region.

Nontariff barriers exist primarily in the form of licensing requirements and high surcharges on exports to the region. For example, in order to export cellular equipment to Nigeria, foreign companies must apply for a license from the Nigerian Communications Commission.[129] While this licensing requirement does not appear to limit U.S. exports, it does add an extra step to the process.[130] In addition, the imposition of surcharges is common in Africa. For instance, South Africa applies a 15-percent surcharge on software products and a 40-percent surcharge on imports of tape

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[125] In addition to these duties, South Africa imposes a 15-percent surcharge on recorded media products and other electronic products and a 14-percent value-added tax on all imports.

[126] In Côte d'Ivoire, all electronic products are subject to the maximum tariff rate of 35 percent. Zimbabwe, the fifth largest U.S. export market for electronics, reported relatively high tariffs of 30 percent for surveying and medical instruments, 50 percent for computers and peripherals, and 100 percent for recorded media and telecommunications products. It should be noted that reported tariffs do not always reflect applied tariffs.

[127] Only six countries in Sub-Saharan Africa submitted tariff schedules under the URA that addressed rates for electronic products. South Africa, Namibia, and Swaziland submitted relatively comprehensive tariffs for electronic products, whereas Nigeria, Zaire, and Uganda mentioned only a few electronic products. In certain cases (e.g., Nigeria), countries chose to bind their rates at levels that are considerably higher than actual imposed rates of duty, which makes it difficult to ascertain the actual impact of the URA on U.S. exports to the region.

[128] Nigeria listed tariffs for certain medical instruments, watches, and clocks, but bound nothing in the area of computers or telecommunications.

[129] U.S. cellular equipment reportedly supplies one half of Nigeria's wireless market. U.S. Department of State cable, "Nigeria--Cellular Telecommunications Equipment," message reference No. 9312, prepared by U.S. Embassy, Lagos, Mar. 1995.

[130] Nigeria also requires preshipment inspection of shipments valued at over $1,000.

Table 5-4
South Africa: Current tariff treatment, pre-World Trade Organization (WTO) bound/unbound[1] rates of duty, and WTO bound rates of duty for major electronic products

Tariff No.	Product description	Current tariff treatment	Pre-WTO bound[B]/ unbound[U] rate	Post-WTO rate of duty
		---Percent ad valorem---		
8524.90	Recorded media for sound	0-18	0-20 [U]	10-15
8471.91	Digital processing unit with storage	0	0 [U]	0
8471.99	Parts of automatic data processing machines (ADP)	0	0-5 [U][2]	0
8471.92	Input or output units for ADP machines	0	0 [U]	0
8517.40	Telephone apparatus for carrier-current lines	5	5 [U]	20
8525.20	Transmission apparatus incorporating reception apparatus	0-15	0-15 [U][3]	15
8471.93	Storage units for ADP machines	0	0 [U]	0
8471.20	Digital ADP machines with central processing unit	0	0 [B]	0
9018.90	Medical instruments, nesi	0-5	0 [U][4]	20

[1] Unbound means that the country reserved the right to raise tariffs above that level.
[2] Within this category, 8471.99.30 was bound at zero; all other products in 8471.99 were unbound.
[3] Within this category, 8525.20.90 was bound at 15 percent; all other products in 8525.20 were unbound.
[4] Within this category, 9018.90.90 was bound at 25 percent; all other products in 9018.90 were unbound.

Source: URA and U.S. Department of Commerce

recorders, video machines, and televisions.[131] Similarly, Zimbabwe imposes a 15-percent surtax on all imports, on top of relatively high tariff rates.[132]

Other important nontariff barriers include copyright infringements and investment disincentives. These are discussed in more detail below.

Other URA Provisions

The most significant provision of the URA for the electronics industry is the Agreement on TRIPS. This agreement is intended to provide uniform levels of intellectual property protection for all electronic products and is expected to promote a freer flow of trade between the United States and WTO member countries.[133] Most importantly, the agreement is expected to reduce considerably the unauthorized reproduction of U.S. software and audio and video recordings in foreign countries.

[131] Surcharges are based on the customs value (f.o.b.) of the imported goods. They were imposed originally to restore the country's deteriorating balance of payments. Currently the South African Government is trying to eliminate them completely.

[132] There has been some discussion regarding the elimination of this surcharge during 1995. U.S. Government official, telephone conversation with USITC staff, July 11, 1995.

[133] Several African countries have expressed concern that the Agreement on TRIPS will hinder their access to foreign technology and information. USTR, *1995 National Trade Estimate Report on Foreign Trade Barriers*, (Washington, DC: GPO, 1995) pp. 248, 284; and U.S. Department of State cable, message reference No. 004886, prepared by U.S. Embassy, Kampala, July 7, 1995.

Such copyright infringements have occurred in several African countries, most notably in South Africa and in Nigeria, and remain an important concern for U.S. companies.[134]

Another URA provision that may benefit sector trade and investment with Sub-Saharan Africa is the Agreement on TRIMs. This agreement is expected to improve the investment climate in certain African countries where local content requirements and export minimums discourage investments. Increased investment in the Sub-Saharan region over time could encourage U.S. exports of electronic products, particularly electronic components and parts.[135]

Other Economic and Trade Considerations

An important factor restricting U.S. exports of electronic products to Sub-Saharan Africa is the region's poor economic situation.[136] A substantial capital investment is required to purchase much of the electronic equipment covered in this sector, but most Sub-Saharan countries have limited access to sufficient levels of foreign exchange. As a result, sales of electronic products, particularly telecommunications equipment, often depend on concessional financing. For example, while Nigeria is a growing market for telecommunications and computer equipment,[137] it was forced to reduce its imports of electronic products in 1994 following a large cutback in World Bank funding for telecommunications projects.[138] Côte d'Ivoire, another notable market for electronic products, relies heavily on financing from France.[139] Such long-standing relationships with former colonial powers and the availability of preferential financing from European suppliers make it difficult for U.S. firms to compete.[140] Over the long term, some of these patterns will change as privatization of telecommunication operators encourages the entrance of new service providers that have greater access to foreign exchange and are less tied to traditional supplier relationships.[141]

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[134] U.S. businesses estimate that 60 to 70 percent of South Africa's software is illegal, and nearly 100 percent of Nigeria's home videos are pirated. In both cases, the countries have laws in place but lack adequate enforcement measures. USTR, *1995 National Trade Estimate Report*, pp. 248, 284.

[135] While Africa offers a relatively inexpensive labor force, other factors such as political instability, high taxes, and limited market demand have discouraged investments in manufacturing by major electronics firms. An improved investment climate and increased market demand could encourage more manufacturing over the long term.

[136] See, U.S. Department of State cable, "Côte d'Ivoire Telephone Switching Systems," message reference No. 9208, prepared by U.S. Embassy Abidjan, Mar. 1995; U.S. Department of State cable, "Nigeria--Cellular Telecommunications Equipment;" and Saunders, *Telecommunications and Economic Development*.

[137] In spite of limited funds, Nigeria's market for electronic products is growing rapidly following a structural adjustment program that encouraged business automation and expansion of banking and financial organizations, all of which are important end users of computer and telecommunications products. Nigeria's oil companies are also key end users of electronic products; they consider a strong telecommunications infrastructure essential to the success of petroleum production.

[138] The World Bank reduced its spending on telecommunications projects in Nigeria due to political instability in the country. Nigeria's imports also suffered following a slow down in hard currency returns from its oil sector.

[139] Côte d'Ivoire's monopoly telecommunications operator, CI-Telecom, finances most of its equipment purchases through the World Bank, the African Development Bank, and France's assistance agencies.

[140] For example, British firms maintain a large market share in sales of computers in Nigeria due to longstanding ties and flexible financing agreements.

[141] Many African countries, including South Africa, Nigeria, and Côte d'Ivoire, are taking steps to privatize their telecommunications operators.

Consumer electronics, such as radios, televisions, and recorded media, are sold primarily to those Sub-Saharan African countries with higher per capita incomes, such as South Africa and Mauritius. Limited levels of disposable income in most other Sub-Saharan countries however, have suppressed demand for U.S. consumer electronics exports.

Most U.S. electronics firms support the outcome of the URA. However, because of overriding economic constraints that limit trade with Sub-Saharan Africa, few companies anticipate any significant changes in their trade flows with this region. Marginal benefits will be reaped from increased transparency of tariffs and agreements to improve investment regimes in Sub-Saharan Africa,[142] but the URA are expected to have a negligible impact on U.S. exports, imports, and overall net trade with these countries.

Miscellaneous Manufactures[143]

Overview

The impact of the URA on net U.S.-Sub-Saharan Africa trade in miscellaneous manufactures is expected to be small. In the long term, the URA will likely have no more than a negligible effect on U.S. imports from Sub-Saharan Africa because the most significant products (antiques, collectors' items, and artwork, for example) already enter free of duty. In addition, the 23 percent average trade-weighted tariff reduction under the URA will apply to dutiable trade, which accounted for only 16 percent of sector trade in 1994. A slight increase in U.S. imports of miscellaneous manufactures from Sub-Saharan Africa is possible because of tariff reductions on dutiable items; however, that increase may be partially offset by a narrowing of the gap between duty-free entry under the GSP and MFN tariff rates as the latter are reduced under the URA.

The URA will probably have a modest impact on increasing U.S. exports to Sub-Saharan Africa, principally because the tariff reductions will affect certain products with a relatively high volume of sector trade. URA tariff reductions in South Africa, the largest sector market in the region, on products such as sporting goods, musical instruments, and chairs are expected to result in a modest increase in U.S. exports.

U.S. Net Trade Position and Major Trading Partners

Many countries in Sub-Saharan Africa have relatively high tariffs, fees, or quantitative restrictions on miscellaneous manufactures in order to discourage such imports and to save scarce foreign exchange reserves for imports of food, machinery, and other essential or industrial inputs. Consequently, U.S. exports to Sub-Saharan Africa of products in the miscellaneous manufactures sector are relatively small. Furthermore, the manufacturing bases in most countries in Sub-Saharan Africa have not been sufficiently developed to enable production of many of these products at competitive prices; thus, U.S. imports of sector products from Sub-Saharan Africa have also been small.

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[142] According to U.S. firms, the two most important provisions of the URA for U.S. electronics manufacturers are the TRIPS and the TRIMs agreements. For more information, see "Other URA Provisions" in this section.

[143] 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.

These constraints notwithstanding, overall U.S.-Sub-Saharan Africa trade in the miscellaneous manufactures sector more than doubled over the past 5 years, as shown in the following tabulation (million dollars):

Year	Exports	Imports	Net trade
1990	28.5	18.4	10.1
1991	50.8	17.3	33.5
1992	41.2	21.4	19.8
1993	49.4	31.2	18.3
1994	70.0	57.7	12.4

South Africa was the largest market for U.S. exports of miscellaneous manufactures to Sub-Saharan Africa in 1994 as shown below (million dollars):

South Africa	42.9
Angola	12.1
Nigeria	2.6
Somalia	2.5
Kenya	1.1
All other	8.8
Total	70.0

U.S. exports to South Africa of sporting goods equipment ($7 million in 1994),[144] coin operated games ($3.9 million in 1994), and typewriter ribbons ($1.4 million in 1994) have all increased steadily over the past 5 years. Other exports to South Africa also rose significantly in 1994: gold numismatic coins (by 99 percent to $10.8 million); dentist, barber, and medical chairs and their parts (by 82 percent to $4.3 million); and musical instruments, mostly keyboards (by 57 percent to $2.5 million).

Shipments of prefabricated buildings accounted for virtually all U.S. exports to Angola, Somalia, and Nigeria. Prefabricated buildings in these countries are mainly used for emergency and peacekeeping operations. The effects of civil war increased U.S. exports of prefabricated buildings to Angola by 81 percent to $11.8 million in 1994, whereas U.S. exports to Somalia went from zero, during the previous 4 years, to $2.5 million in 1994. Nigeria, which imported prefabricated buildings valued at $4.1 million in 1992 and $6.7 million in 1993, barely imported $1 million in 1994.

In 1994, the following countries generated the highest level of U.S. imports in the sector (million dollars):

Côte d'Ivoire	18.5
South Africa	11.6
Zimbabwe	9.8
Mauritius	2.1
Zaire	1.9
All other	13.7
Total	57.6

The most important U.S. imports from Sub-Saharan Africa in 1994 were antiques ($19 million, 32 percent); jewelry ($13.5 million, 24 percent); collectors items ($7.5 million, 13 percent); and furniture ($7.3 million, 13 percent). Almost all of the imports from Côte d'Ivoire were antiques and

[144] The most significant sporting goods exports are waterskis, golf clubs and equipment, swimming pool equipment, and fishing gear.

jumped from $28,000 in 1993 to $16.8 million in 1994. Imports from South Africa were concentrated in furniture and parts ($3.3 million) and various articles of jewelry ($2.1 million). Jewelry was also an important U.S. import from Zimbabwe, totaling $8.9 million, and from Mauritius, valued at $1.5 million.

Key Uruguay Round Provisions Affecting Sector

U.S. Tariff Provisions

Under the URA, U.S. tariffs on dutiable imports of miscellaneous manufactures from Sub-Saharan Africa, which ranged from 1.5 percent ad valorem on sailboards to 27.5 percent ad valorem on certain silver jewelry, will be reduced by an average of 23 percent. The ATWT will fall from 6.2 percent AVE in 1994 to 4.8 percent AVE at the end of staged reductions. The highest rate on sector imports was 21 percent AVE for Zambia, which had $2,000 worth of dutiable imports, and the lowest rate was 2.5 percent AVE for Benin, which also had $2,000 worth of dutiable imports. South Africa had the highest amount of dutiable products at $4.5 million, followed by Kenya with $939,009.

In 1994, imports of miscellaneous manufactures that entered duty free under the GSP totaled $20 million (34 percent of total imports); dutiable imports totaled $9 million (16 percent); and imports under tariff subheadings that are free of duty totaled $29 million (50 percent).[145] Zimbabwe had the highest percentage of GSP-eligible exports to the United States at 92 percent. Forty-one percent of imports from South Africa entered duty free under the GSP in 1994. Jewelry and furniture, the largest categories of U.S. sector imports from South Africa, entered duty free under GSP. U.S. imports of antiques, collectors' items, sculptures, and artwork, which totaled $28 million, or 49 percent of sector imports from Sub-Saharan Africa, are duty free.

Sub-Saharan African Tariff Treatment

Tariffs on many miscellaneous manufactures will be reduced under the URA by South Africa, the largest sector market in Sub-Saharan Africa. The following tabulation shows pre- and post-URA rates on South African tariffs for selected products (in percent ad valorem):[146]

Product	Pre-URA rates	Post-URA rates
Chairs	20-35	20-28
Sporting goods[1]	10-25	0-10
Musical instruments	5-20	5-17
Coin-operated games	30	30

[1] Golf clubs, the largest U.S. export of sporting goods to South Africa, is now free of duty. According to the Sporting Goods Manufacturers Association, South Africa is a large, newmarket for exports of golf clubs because of the growing number of resorts. South Africa's large, annual gold tournament also contributes to the sport's popularity in the country. Maria Stefan, executive director and vice president, Sporting Goods ManufacturersAssociation, telephone interview by USITC staff, Aug. 7, 1995.

[145] If U.S. imports of antiques from the Côte d'Ivoire were excluded from 1994 sector imports, duty-free imports under the GSP would account for 50 percent of total imports, 23 percent of dutiable imports, and 27 percent for imports under subheadings with column-1 duty rate of Free (MFN rates).

[146] Currently, an import surcharge of 40 percent is levied on luxury goods, of which many are miscellaneous manufactures. See U.S. Department of Commerce, "1995 Country Commercial Guide for South Africa."

The tariff on imports of prefabricated buildings varies by country. Nigeria, according to the most recent available data, imposes a 25-percent tariff on prefabricated buildings, combined with a 5-percent value-added tax and a 7.5-percent surcharge. These products, if approved by the Government for humanitarian purposes, can be imported free of duty. Somalia, another country that imported a substantial amount of prefabricated buildings in 1994, has no longer an established government that is able to collect duties.[147] Prefabricated buildings, because they are mainly used for humanitarian and peacekeeping purposes, will likely continue to be exported to those countries in need of such buildings regardless of tariff reductions, assuming the availability of funding.

Other URA Provisions

There are no additional URA provisions that will significantly affect trade in the miscellaneous manufactures sector.

Other Economic and Trade Considerations

Of the countries in Sub-Saharan Africa, only South Africa has a diversified export base. For many of the remaining countries in the region, the ability to produce export-quality finished goods in this sector has been hindered by low capacity utilization because of cash-flow problems, a shortage of maintenance and equipment, low levels of investment, or weak technological and human resource capacity.[148] Likewise, small domestic markets, lack of foreign exchange and foreign exchange controls, and a poor infrastructure which impedes efficient delivery, will likely continue to constrain the level of U.S. exports to Sub-Saharan Africa.

Services

Overview

Sub-Saharan Africa has few service providers that are active internationally. Underdeveloped communication and transportation infrastructures have hindered the development of services trade. These impediments, combined with the nature of commitments scheduled by the United States and Sub-Saharan African countries under the General Agreement on Trade Services (GATS), make it likely that the URA will have no more than a negligible impact on U.S. trade in services with Sub-Saharan Africa.

Long-term effects of the URA are likely to promote greater trade in services. By entering into the GATS, signatories have committed to observe disciplines intended to increase international trade. They also have committed to undertake future negotiations regarding services under the auspices of the WTO. The long-term intent of these negotiations is to liberalize regulations pertaining to trade and investment in services. Should these negotiations enhance the transparency of pertinent regulations and loosen restrictions on international service transactions, trade in services between the United States and Sub-Saharan Africa may increase.

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[147] Chandra Watkins, international trade specialist, International Trade Administration, U.S. Department of Commerce, telephone interview by USITC staff, July 17, 1995.

[148] UNCTAD, *The Least-Developed Countries: 1995 Report Mid-Term Review* (New York: UNCTAD, 1995), p. 53.

The U.S. Uruguay Round Services Schedule

The United States offered a broad range of commitments addressing most service industries covered in the UR.[149] Like other signatories to the GATS, the United States did not liberalize existing trade barriers to services, but rather scheduled standstill commitments that preserve market access and national treatment limitations at current levels.

As noted in chapter 2, telecommunication and professional services account for virtually all U.S. imports of services from Africa.[150] U.S. imports of telecommunication services from Africa comprise payments made by U.S. telecommunication carriers to African carriers for outbound U.S. calls that are transmitted to final destinations by African carriers. As yet, the United States has scheduled no commitments regarding telecommunication services that will affect the volume of these imports. Negotiations pertaining to basic telecommunication services,[151] which likely account for virtually all trade in telecommunication services between the United States and Africa, will not conclude until April 1996.[152] Similarly, the volume of U.S. imports of professional services from Africa will likely not change because relevant U.S. commitments freeze existing trade measures. During the long term, U.S. imports of professional services may increase if the Working Party on Professional Services, established by the GATS, reduces trade barriers rooted in qualification requirements and licensing procedures.

The Sub-Saharan African Uruguay Round Services Schedules

Thirty-six of the 48 Sub-Saharan African countries identified in this study submitted national schedules to the WTO. Among these, 12 countries submitted lists of MFN exemptions (table 5-5). Sub-Saharan African countries scheduled few commitments. Commitments scheduled by Sub-Saharan African countries generally were standstill commitments, binding existing trade limitations at current levels.[153]

Available trade statistics, shown in chapter 2, reveal that three service activities accounted for 93 percent of U.S. exports of services to Africa in 1993. Professional services comprised the largest share, generating 57 percent of total U.S. cross-border service exports to Africa. Among professional services, construction-related services related to petroleum extraction and mineral mining, and management/consulting services constituted the largest components. Other important U.S. service exports to Africa included education services and telecommunication services. African commitments pertaining to these industries are discussed briefly in the following sections.

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[149] See GATT Secretariat, *Services Sectoral Classification List*, GNS, pp. 2-8.

[150] For services, trade data between the United States and Sub-Saharan Africa do not exist. Instead, data on services trade are available only for the continent of Africa as a whole. Within Sub-Saharan Africa, country-specific detail occasionally is reported for South Africa and Nigeria, but availability remains limited.

[151] Basic telecommunication services essentially comprise voice and data transmission.

[152] Value-added telecommunication services, comprising electronic mail, electronic data interchange, and other such services, likely account for a small share of U.S. imports of all telecommunication services from Sub-Saharan Africa.

[153] In certain instances, Sub-Saharan African countries scheduled limitations that are more restrictive than those applied in practice. The reconciliation of *de facto* and *de jure* restrictions is important to the long-term influence of the GATS agreement, since the discrepancy between the limitations that are scheduled and those that are actually imposed undermines regulatory transparency.

Table 5-5
Summary of commitments scheduled by Sub-Saharan African countries in the GATS

Country	Service(s)											Tourism and travel	MFN exemptions
	Profes-sional	Commu-nication	Construc-tion	Distri-bution	Educa-tion	Environ-mental	Financial	Health/ Social	Recrea-tional	Transpor-tational	Other		
Angola							x		x			x	x
Benin	x						x			x		x	x
Botswana	x	x										x	
Burundi	x			x								x	
Cameroon	x											x	x
Chad												x	
C. African	x	x				x			x			x	
Cote	x		x							x		x	x
Congo									x			x	x
Djibouti		x							x			x	
Gabon	x		x				x					x	x
Gambia	x	x	x	x	x	x	x	x	x	x	x	x	
Guinea	x					x		x		x		x	
Guinea-									x			x	
Kenya		x					x			x	x	x	
Lesotho	x	x	x	x	x	x	x			x	x	x	
Madagascar	x												
Malawi	x		x				x	x				x	
Mali					x							x	x
Mauritania												x	
Mauritius		x										x	
Mozambique							x						
Niger										x		x	x
Nigeria		x					x			x		x	
Namibia	x											x	
Rwanda	x				x	x			x			x	
Sierra	x	x	x		x	x	x	x	x	x		x	x
South Africa	x	x	x	x		x	x			x	x	x	x
Senegal	x	x		x					x	x		x	x
Swaziland	x							x				x	x
Tanzania												x	
Togo			x						x			x	
Uganda												x	
Zaire	x	x	x		x				x			x	
Zambia	x		x					x				x	
Zimbabwe		x					x					x	

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

Professional Services

Professional services are supplied principally through foreign affiliates. Providers of professional services typically move abroad to maintain close business relationships with multinational corporations. Restrictions on the exchange of professional services tend to place limits on the commercial establishment of affiliates and the requisite transfer of corporate personnel.

In part, much of the growth of the professional services industry in Sub-Saharan Africa is due to increased project financing from the African Development Bank and the World Bank. This has resulted in an acute need for professionals skilled in engineering and consulting as projects in road construction, telecommunications, mining, health, and education are underway.[154] Because of the shortage of professionals resident in Sub-Saharan Africa, professional services have been imported from other countries such as the United States and the United Kingdom.

Twenty countries in Sub-Saharan Africa scheduled generally standstill commitments for professional services. Among these African countries, one of the most common subsectors for which commitments were made was technical testing and exploration services for petroleum-drilling and deep-mining activities. Many African countries also offered commitments for such services such as accounting, legal services, and medical services. South Africa provided the most extensive treatment of professional services, scheduling broad and less restrictive commitments for a wide range of professional services.

Education Services

Education services are traded primarily through the exchange of college and university students. Expenditures by foreign students studying in the United States are recorded as U.S. cross-border exports while expenditures by U.S. students studying abroad are recorded as U.S. imports. Limitations on education services typically include immigration restrictions, exchange rate controls, and non-recognition of foreign degrees or credentials. According to available statistics on the exchange of students, education services constitute the United States' second largest service export to Sub-Saharan Africa. At $260 million in 1993, U.S. exports of education services accounted for 27 percent of total U.S. service exports to the region. Students from Kenya, Nigeria, and South Africa were the most likely to attend U.S. institutions of higher education.

Six Sub-Saharan African countries offered commitments for education services. The remaining countries effectively reserve the right to maintain or impose restrictions on African students studying abroad. In most cases, however, these restrictions are not applied, as this is often contrary to the interest of the countries reserving limitations.

Telecommunication Services

Telecommunication services can be exchanged across national borders and through foreign-based affiliates. Trade restrictions are usually intended to protect monopoly carriers. These restrictions take many forms, including discriminatory pricing for access to the public network, foreign investment caps, and rigid licensing requirements.

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[154] U.S. Department of Commerce, "Africa: Consulting and Engineering Services," Market Research Reports, ISA9409, Apr. 27, 1995.

Ten countries of Sub-Saharan Africa listed commitments for telecommunication services.[155] The breadth of commitments ranged widely. Djibouti presented the most extensive listing of basic and value-added telecommunication services, but ultimately scheduled few partial or full commitments. Mauritius listed perhaps the least restrictive commitments covering a broad range of basic and value-added services. Nigeria and South Africa, too, scheduled relatively generous commitments, allowing foreign firms to provide such value-added telecommunication services such as private voice and data network services.[156]

South Africa and Nigeria are the largest markets for telecommunication services in Sub-Saharan Africa and account for over half of all telecommunications traffic between the region and the United States.[157] At 9 telephone lines per 100 inhabitants, South Africa ranks well above the average telephone density of 0.4 lines for Sub-Saharan Africa.[158] Partly because Nigeria claims the region's largest population, accounting for 20 percent of Sub-Saharan Africa's total population, the country's telephone density is 0.3 lines.[159] However, excluding South Africa, Nigeria maintains the largest number of telephone lines in Sub-Saharan Africa.

Many private and public organizations have recognized the potential to develop telecommunications in Africa. Consequently, several projects are underway to provide more accessible telecommunication service to the entire continent. One of the most ambitious projects entails laying an undersea fiber optic cable around the entire continent. Other ventures include the provision of continentwide communication service through satellite systems and cellular-based network systems.[160]

Other Economic and Trade Considerations

Ten of the 36 Sub-Saharan African countries that submitted schedules to the WTO, including Nigeria and South Africa, also listed "horizontal" commitments. In contrast to industry-specific commitments, horizontal commitments identify restrictions that apply to all industries appearing in a schedule. Horizontal commitments commonly address taxation, subsidies, land acquisition, movement of natural persons, and investment.

Nigeria stipulates that, in order to establish a commercial presence, foreign service providers must affiliate themselves with a local business. Further, Nigeria's schedule indicates that repatriation of profits is allowed only with the approval Industrial Development Coordination Committee of the

[155] Other commitments pertaining to communication services addressed audiovisual and courier services.

[156] Neither South Africa nor Nigeria is actively participating in the extended negotiations on basic telecommunications, although South Africa is an observer. In this capacity, South Africa has submitted a response to a questionnaire developed by the Negotiating Group on Basic Telecommunications.

[157] Federal Communications Commission (FCC), *Statistics of Communications Common Carriers*, 1991-92 and 1992-93.

[158] By contrast, U.S. telephone density was 57 lines in 1992.

[159] International Telecommunication Union (ITU), *African Telecommunication Indicators*, Mar. 1994, p. A-8.

[160] Industry representative, presentation to the U.S. Department of State, African Interagency Resources Group, Washington, D.C., June 6, 1995.

Ministry of Finance. Nigerian law also prohibits majority foreign ownership in 40 different industries unless the foreign investment is in excess of approximately $400,000.[161]

South Africa's investment climate is much more open. In an attempt to encourage foreign direct investment, the Government of South Africa accords national treatment to foreign firms, permitting up to 100 percent foreign ownership of service providers. The most significant restriction that pertains to foreign firms involves access to domestic financing. In its schedule, South Africa stipulates that there may be limits on the loan amounts available to South African firms in which foreign ownership equals or exceeds 25 percent.

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[161] Exceptions to this rule include investments in banking, insurance, petroleum, and mining which require a minimum of 60 percent Nigerian equity. U.S. Department of Commerce, "1994 Country Commercial Guide for Nigeria."

CHAPTER 6: OTHER FACTORS AFFECTING ECONOMIC DEVELOPMENT AND TRADE WITH SUB-SAHARAN AFRICA

As noted in earlier chapters of this report, many of the governments and economies of the countries in Sub-Saharan Africa are in a state of change. These changes include political developments that have led to the creation of new democracies among countries in the region as well as progress in implementing economic reforms under structural adjustment programs. Recently, many national leaderships in Sub-Saharan Africa have also been reexamining the role of regional integration as a means to facilitate intraregional trade and investment. This chapter provides information on these other important forces, in addition to the Uruguay Round, that are currently affecting trade and economic development in Sub-Saharan Africa.

The first two sections of this chapter examine the current status of regional integration in Sub-Saharan Africa and the progress of countries in the region in implementing economic reforms. The final section provides information on the role of foreign assistance provided to Sub-Saharan Africa by other developed countries such as France, the EU, and Japan.

Regional Economic Integration in Sub-Saharan Africa

Sub-Saharan African countries have long pursued regional integration and cooperation. Since the inauguration of the Organization of African Unity (OAU) in 1963, all of the countries included in this study have joined various organizations of regional cooperation. However, most of the attempts at regional economic integration have thus far either failed to achieve their declared objectives or collapsed altogether. In response to the success of regional groupings in North and South America and Asia, there has been renewed interest on the part of many national leaderships in Sub-Saharan Africa not only in fostering new initiatives, but also in deepening and strengthening the institutional structures of existing arrangements.

The importance of regional integration for facilitating trade and investment in Sub-Saharan Africa has been stressed by the U.S.-Africa Chamber of Commerce, the African Business Round Table, and the Corporate Council on Africa. These groups have noted that many African markets are small and fragmented and that economic integration could provide bigger markets that would be more attractive for investment and trade.[1] They have also noted that, through regional integration, countries could share infrastructure, such as roads and telecommunications, that would make their economies more competitive in the longer run.[2] Other benefits of regional integration include the opportunity for development and diversification of member countries' industrial bases away from production and export of primary products through expansion of intraregional trade.[3] Additionally, such arrangements play a role in providing fora for dispute and conflict management, thus increasing security and political stability in the region.[4]

Recent Developments in Regional Integration

The membership, specific objectives, integration instruments, and achievements of 12 of the more prominent regional integration arrangements affecting Sub-Saharan Africa are outlined in

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[1] Esom Alintah, transcript of the hearing, p. 135.

[2] Ibid., p. 137.

[3] OECD, *Regional Integration and Developing Countries* (Paris: OECD, 1993).

[4] Ibid.

table 6-1. The stated objectives of many of these arrangements vary, but include the creation of customs unions with common external tariffs and duty-free trade in goods and services among member countries, encouragement of regional investment, and in some cases, the achievement of full economic and monetary union. As noted in table 6-1, a number of countries are involved in more than one regional integration arrangement, and some of these arrangements appear to have similar objectives.

A number of events occurred during 1990-94 affecting regional integration arrangements in Sub-Saharan Africa. Two organizations, the Common Market for Eastern and Southern Africa (COMESA) and the West African Economic and Monetary Community (UEMOA) were formed in 1993 and 1994, respectively, to replace dissolved organizations. A new regional organization, the Central African Economic and Monetary Community (CEMAC) was created in 1994. The treaty creating the Southern African Development Community (SADC) was signed in mid-August 1992, with the goal of transforming the former Southern African Development Co-ordination Conference (SADCC) into a fully integrated economic community.[5] Additionally, South Africa was admitted to the SADC in October 1994, and Mauritius in August 1995. Namibia joined the Common Monetary Arrangement (CMA) in 1992.

In addition to the developments in the regional integration arrangements discussed above, the Abuja Treaty established the African Economic Community (AEC) in May 1994, comprising the 53 members of the OAU.[6] The objective of the AEC is to create an African Common Market by the year 2025 to include a common customs tariff, common internal taxes, and free movement of goods, services, labor and capital among member countries.[7] Progress to date under this arrangement includes the preparation of protocols to implement a number of the provisions of the Abuja Treaty, including free movement of persons and goods, rules of origin, and customs harmonization.[8]

Achievement of Goals

Several of the regional trade organizations shown in table 6-1 have made progress in achieving some of their stated objectives, but in general, progress in regional integration in Sub-Saharan Africa has been limited to date. Three organizations, the SACU, the UDEAC, and the Mano River Union (MRU) have instituted common customs tariffs while other arrangements (COMESA and the Economic Community of West African States [ECOWAS]) have succeeded in implementing tariff reductions over a more limited range of commodities. The common customs tariffs that have been established, however, have generally been high, with the objective of stimulating production among member countries. For example, members of the SACU apply South African tariffs, which range from 5 to 25 percent ad valorem for most goods, but can reach up to 60 percent ad valorem for luxury goods and up to 100 percent ad valorem for automobiles.[9] UDEAC duties similarly range

[5] The aim of the SADCC had been to reduce the member countries' economic dependence on South Africa. *Africa South of the Sahara 1995* (London: Europa Publications, 1995), p. 117.

[6] African Development Bank, *1995 African Development Report* (Abidjan: AFDB, 1995).

[7] Ibid.

[8] Ibid.

[9] As noted in chapter 5, some South African tariffs will be lowered and/or bound under the URA. Additionally SACU members, except South Africa, can apply additional duties for protecting new industries. Botswana has taken advantage of this provision by applying import duties of 100 percent ad valorem on soap products and 75 percent ad valorem on wheat flour. See U.S. Department of Commerce, "1995 Country Commercial Guide for South Africa."

Table 6-1

Selected regional integration arrangements among Sub-Saharan African countries, 1990-94

Regional integration arrangements	Membership	Objectives	Instruments	Achievements
SADC - Southern Africa Development Community Formed in 1992 Formerly Southern African Development Co-ordination Conference (SADCC)	Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, South Africa, Tanzania, Zambia, Zimbabwe, Mauritius (as of 8/95).	Establish fully integrated economic community; common economic, political and social values and systems; diversification of national economies; strengthened regional solidarity; peace and security.	Freer cross-border investment, movement of goods, services and factors of production; physical infrastructure projects emphasizing transport and communication; programs to increase production and intra-regional trade; promotion of small-scale industries; human resource development.	Customs union and common market still under consideration; cross-border investment limited; free movement of people by end of 1995 if draft protocol ratified; many essential transport, industrial and energy projects completed with others planned and in progress.
SACU - Southern African Customs Union Formed in 1969	Botswana, Lesotho, Namibia, South Africa, Swaziland.	Provide common pool of customs, excise and sales duties through customs and excise union.	Elimination of duties and quotas; common external tariff; common revenue pool administered centrally by South African Reserve Bank; South Africa's Board of Trade and Tariffs sets tariffs for SACU as a whole; union supplemented by monetary integration of Common Monetary Area (CMA).	Goods are traded within the union free of duty and quotas, subject to certain protective exceptions; common external tariff; common sales and excise duties; revenues distributed through formula based on production and trade; renegotiations on role and emphasis of SACU ongoing since 1981.
CMA Common Monetary Area Formed in 1974	Lesotho, Namibia, South Africa, Swaziland.	Provide for free movement of capital among members.	Multilateral Monetary Agreement establishes common exchange controls.	Currencies of Swaziland, Lesotho, and Namibia are freely convertible with the South African rand, free movement of funds, Swaziland, Lesotho, and Namibia have access to South African capital market.

Table continues next page.

Table 6-1--Continued

Selected regional integration arrangements among Sub-Saharan African countries, 1990-94

Regional integration arrangements	Membership	Objectives	Instruments	Achievements
COMESA - Common Market for Eastern and Southern Africa Formed in 1993 Formerly the Preferential Trade Area for Eastern and Southern Africa (PTA) Formed in 1981	Angola, Burundi, Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.	Establish full free trade area by 2000 and monetary union by 2020; promote regional trade and free movement of capital and people; transform structure of production in national economies; develop basic and strategic industries; improve transport links; cooperate in agricultural development.	Establishment of customs union with common external tariff 10 years after COMESA comes into force; institutional mechanisms, including monetary arrangements to facilitate trade; reserve fund to support autonomous Clearing House and investment funds; human resource development.	Tariff reductions introduced for a limited range of commodities; automated customs data system, trade information network; clearing house, PTA Bank, PTA Federation of Chambers of Commerce and a variety of associations have been created.
ECOWAS - Economic Community of West African States Formed in 1975	Benin, Burkina, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo.	Customs and monetary union; increase and maintain economic stability; sub-regional self-sufficiency in agriculture and fishing by 2000; raise standard of living; prevent and settle regional conflicts; promote pluralism and democratic processes in member countries.	Elimination of tariffs and other barriers to trade over 15 years; free movement of factors of production; harmonized agricultural policies; common economic, industrial and monetary policies; joint industrial projects; West African Monetary Agency to administer exchange rate. system and establish monetary zone; compensation fund.	Free trade area of agricultural products and handicrafts; by mid-1991, tariffs lifted on 90 manufactured items, with progressive tariff reductions scheduled over this decade; common external tariff not yet established; measures to create monetary union agreed upon.

Table continues next page.

Table 6-1--Continued

Selected regional integration arrangements among Sub-Saharan African countries, 1990-94

Regional integration arrangements	Membership	Objectives	Instruments	Achievements
AEC - African Economic Community Formed in 1994	53 members of the OAU.	Consolidate regional economies into single African Common Market with free movement of goods, services, labor, and capital; establish a Pan-African Economic and Monetary Union and a single currency.	Strengthen existing regional arrangements, standardize tariffs, customs practices, and internal taxes in regional economies in eight years; form customs union in 10 years; harmonize tariffs among regional groupings in 12 years; adopt common monetary, fiscal, and sectoral policies, and free movement of people in 14 years; create common market by 2025.	Protocols prepared on the following: free movement of persons and right of residence, transport and communication, rules of origin, customs harmonization.
UEMOA - West African Economic and Monetary Union Formed in 1994 Formerly the West African Monetary Union (UMOA) Formed in 1973 Replaces dissolved West African Economic Community (CEAO)	Benin, Burkina, Côte d'Ivoire, Mali, Niger, Senegal, Togo. Membership included Mauritania; Togo was not a member.	Progressive implementation of full economic integration based on existing monetary union;[1] strengthen competitiveness of member states.	Convergence of macroeconomic policies; common external tariff; community value-added tax; harmonized legal and regulatory framework, coordinated sectoral policies.	Established macroeconomic reform surveillance mechanism, the UEMOA Commission, to commence operation in 1995; CEAO exempted non-manufactured goods from import taxes within the Community; and undertook joint infrastructure projects, particularly water projects.

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Table continues next page.

Table 6-1--Continued
Selected regional integration arrangements among Sub-Saharan African countries, 1990-94

Regional integration arrangements	Membership	Objectives	Instruments	Achievements
MRU - Mano River Union Formed in 1973	Guinea, Sierra Leone, Liberia.	Promote economic cooperation through establishment of a customs union.	Elimination of tariffs on intra-trade; common external tariff; industrial development unit to identify projects and encourage investment.	Common external tariff; official intra-union free trade, but significant barriers remain; some success with joint institutes and industrial projects.
UDEAC - Customs and Economic Union of Central Africa	Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon.	Form a customs union with free trade between members within context of existing monetary union.[1]	Common external tariff; harmonized internal indirect taxation; labor mobility; joint investment projects; interstate transit transport reform.	Common external tariff; common code for investment policy; solidarity fund to counteract regional disparities in wealth; common market in meat; tax harmonization.
CEMAC - Central African Customs And Economic Union Formed in 1994	Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon.	Promote subregional integration among UDEAC members; complete integration process initiated by UDEAC, including free movement of goods and persons.	In progress.	
CEEAC - Economic Community of Central African States Formed in 1985	Burundi, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Rwanda, São Tomé and Principe, Zaire; Angola has observer status.	Promote economic cooperation among member states.	Abolish trade restrictions establish common external customs tariff; link commercial banks; establish development fund over 12 years.	

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Table continues next page.

Table 6-1--Continued

Selected regional integration arrangements among Sub-Saharan African countries, 1990-94

Regional integration arrangements	Membership	Objectives	Instruments	Achievements
CEPGL - Economic Community of the Great Lakes Countries Formed in 1976	Burundi, Rwanda, Zaire.	Promote economic cooperation and development; improve living standards.	Reduce tariff barriers; free factor mobility; common agricultural, industrial and energy projects; development bank; no common external tariff or harmonization of policies envisioned.	Little progress towards trade liberalization and factor mobility; four joint manufacturing enterprises established; five-year project finance plan adopted.
IOC - Indian Ocean Commission Founded 1982	Comoros, Madagascar, Mauritius, Réunion, Seychelles.	Regional cooperation in economic development; increased intraregional trade and cross-border investment.	Joint development projects; trade/investment schemes; free movement of people; annual trade fairs.	Several joint development projects underway in areas such as resource management and tourism.

[1] Countries are members of the CFA Franc Zone and have common currency and monetary policy within each union.

Sources: "Regional Organizations" in *Africa South of the Sahara* (London: Europa Publications, 1995); Gavin Maasdorp, "The Advantage of Current Regional Institutions for Integration" ***South Africa and the World Economy in the 1990s***, Pauline H. Baker, Alex Boraine, and Warren Krafchif, eds. (Cape Town: David Philip and Washington, DC: The Brookings Institution, 1993); Organization for Economic Cooperation and Development (OECD), *Regional Integration and Developing Countries* (Paris: OECD, 1993); and African Development Bank (AFDB), *1995 African Development Report* (Abidjan: AFDB, 1995).

from 5 percent ad valorem for primary products and capital equipment to 50 percent ad valorem for consumer goods.[10]

Countries in two regional organizations, the UDEAC and the UEMOA, have achieved monetary union, with each organization having a common Central Bank: the Central Bank of the West African States (BCEAO) among UEMOA countries and the Bank of Central African States (BEAC) among UDEAC countries. These monetary unions, however, are based on agreements concluded between France and each country or group of countries, rather than on agreements among the countries themselves. The common currency of all of these countries is the CFA franc, which is freely convertible with the French franc at a fixed rate of exchange.[11] Monetary integration has also been achieved among countries of the CMA, which allows for free movement of capital within the CMA and free convertibility of member countries' currencies with South Africa's rand.

Finally, most regional integration arrangements in Sub-Saharan Africa have instituted measures to promote regional investment projects. For example, the SADC has financed regional projects in infrastructure, agriculture, industry, trade, and mining; the COMESA includes the Eastern and Southern African Trade and Development Bank (PTA Bank) to finance regional projects and an Investment Fund to be subscribed by international investors; the West African Development Bank (BOAD), established in 1973 by the countries of the UEMOA, promotes balanced development and regional integration among member countries; and ECOWAS established Ecobank Transnational Inc. in 1988 to finance regional investment projects.[12] Other regional investment activities are described in table 6-1. Many investment projects developed through regional organizations have been developed and implemented with assistance from bilateral and multilateral donors.

Limited success in achieving regional integration in Sub-Saharan Africa has been linked to a number of factors that tend to limit the gains from regional integration in the region. These factors are presented in the following subsections:[13]

Similar economic structures.--Despite some complementarity between the manufacturing sectors of some Sub-Saharan African countries, the most countries in the region remain primarily exporters of commodities and importers of manufactured goods, thus limiting the scope for expansion of intraregional trade. Additionally, most of the value added is carried out in Western industrialized countries, diminishing African demand for these products.

Unequal gains.--Differences in market orientation, market size, the extent of government involvement, and in levels of economic development characterize countries in Sub-Saharan Africa. Such differences create the potential for dislocations and unequal distribution of gains from integration, the adjustment to which may lead to domestic and transnational political strains. The

[10] UDEAC duties on consumer goods are to be reduced to 35 percent over 6 years. Ibid., "1995 Country Commercial Guide for the Congo," 1995.

[11] The CFA Franc Zone derives from the former French colonies in Africa. "Le franc des colonies Francaises d'Afrique" was initiated in 1945 as a fully convertible currency (to the French franc) at a fixed parity. The intent was to encourage common trade and financial policies throughout the participating countries by allowing free mobility of capital throughout because of the link to the central bank in France. The African central banks can draw funds from the relevant operating account with the French Treasury, with the understanding that if the account goes into a deficit, safety clauses trigger precautionary measures.

[12] Europa Publications, *Africa South of the Sahara.*

[13] See OECD, *Regional Integration and Developing Countries.*

tendency for the costs and benefits of integration to differ among countries has necessitated compensation mechanisms that are often difficult to negotiate and implement. Larger and more developed members are better poised to exploit larger regional markets.

Infrastructure.--Transportation infrastructure tends to be geared toward export to the EU, Japan, and North America, thereby raising the costs of intraregional trade as compared to trade with the traditional trading partners.

Collective market size.--Some regional integration arrangements remain too small to gain from specialization and rationalization through scale economies; notable exceptions include COMESA, with a combined population of over 300 million, and SADC, with over 100 million people.

Political conflicts.--Overlap between the mandates of the institutions governing different arrangements can lead to diversion of political commitment. The lack of long-term political commitment to regional goals and unwillingness or inability to subordinate national goals as necessary can weaken regional achievements.

Among the regional organizations in Sub-Saharan Africa considered to be the most successful are the SACU and the CMA, which together provide both trade and monetary integration in Southern Africa.[14] However, it has been noted that the SACU has largely been held together by the strength of the largest member economy, South Africa.[15] The SACU agreement is also currently in process of renegotiation, which could result in changes to the revenue-sharing formula.

Because of its prospective benefits, regional integration is being actively pursued by African leaderships, such international organizations as the World Bank and IMF, and by donor countries to complement domestic economic reforms.[16] It has been noted of regional integration in Southern Africa that "the momentum for further evolution of regional integration arrangements is now so strong that it is very unlikely to be reversed in the medium term."[17] Several participants at the USITC hearing suggested that the United States support the process of regional integration by lending expertise in the development of rules and regulations of regional trade arrangements, as the EU has done. One participant suggested opening additional foreign commercial service offices at the headquarters of the various regional organizations to facilitate the provision of technical assistance, as well as to actively encourage the development of the AEC and other regional and subregional organizations.[18]

Domestic Economic Reform

In recent years, many Sub-Saharan African countries have been committed to implement domestic reforms, generally under the aegis of structural adjustment programs (SAPs) that are designed to create a favorable economic environment for sustainable growth and development. Many

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[14] Maasdorp, "The Advantages and Disadvantages of Regional Institutions for Integration."

[15] Laurence Cockcroft, "Is South Africa's Goal of Economic Development Compatible with the Goal of Regional Development in Southern Africa?" *South Africa and the World Economy in the 1990s*.

[16] See for example, the Cross-Border Initiative of the World Bank, the EU, the IMF, and the African Development Bank, which is designed to promote cross-border trade, investment and payments in Eastern and Southern Africa and the Indian Ocean Island states.

[17] Cockcroft, p. 228.

[18] Gary Walker, transcript of the hearing, pp. 180-181.

SAPs were initiated in the mid-1980s with the support of the IMF, the World Bank, and donor countries. The objectives of such reforms have been to reduce government spending, establish more realistic exchange rates, reduce government intervention in the economy, and to introduce policies that will promote investment, exports, and private sector activities.

It is not within the purview of this study to analyze the efficacy of structural adjustment programs in Sub-Saharan African countries. However, a study by the World Bank that compared the policies and performances of 29 Sub-Saharan African countries during two periods, 1981-1987 and 1987-1991, concluded that in the countries in which major policy reforms have been undertaken and sustained, adjustment has produced positive results.[19] On the whole, however, the study found that countries were generally more successful in improving their macroeconomic, trade, and agricultural policies than their public and financial sector policies. The study acknowledges that reforms remain incomplete, and many have yet to take place; consequently, economic recovery in Sub-Saharan Africa is still fragile and economic growth rates are still insufficient to alleviate poverty.[20]

In its 1995 annual report, the African Development Bank (AFDB) noted that SAPs have contributed to the improvement of macroeconomic balances in some countries in Sub-Saharan Africa, but the reforms "have yet to result in the types of economic turnarounds that have been witnessed in other regions and countries."[21] The AFDB further noted that many countries in Sub-Saharan Africa have had limited success changing their production structures and diversifying exports and that investment and savings rates remain low.[22]

Recent Domestic Policy Developments

According to the AFDB's 1995 annual report, progress in implementing domestic policy reforms in Sub-Saharan Africa has been mixed.[23] The AFDB noted that many countries have continued to work toward improving their fiscal balances, restructuring their economies, and privatizing public institutions. In the area of exchange rate policy, however, the AFDB's report noted divergent developments, with the member countries of the CFA Franc Zone devaluing their currency, but with such other countries, as Nigeria, abandoning market-determined exchange rates.[24] The report also noted that some countries, including Angola, Mozambique, Nigeria, Sudan, Zaire, Zambia, and some CFA Franc Zone countries, registered relatively high rates of inflation in 1994.

The devaluation of the CFA franc, which underwent a 50-percent devaluation on January 12, 1994, was one of the most significant economic policy development in Sub-Saharan Africa in 1994. The CFA franc area includes France, its overseas departments and territories, and 13 Sub-Saharan African countries that are members of two monetary unions: the UEMOA and the UDEAC; and the Comoros,[25] whose Central Bank issues the Comorian franc.

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[19] The World Bank, *Adjustment in Africa: Reforms, Results, and the Road Ahead* (Oxford: Oxford University Press, 1994).
[20] Ibid.
[21] AFDB, *African Development Report*.
[22] Ibid.
[23] Ibid.
[24] Ibid.
[25] The Comoros franc was devalued by 33.3 percent.

The decision to devalue the CFA franc was made unanimously by the CFA Franc Zone members after several years of economic crisis and the worsening of their balance of payments. Until the 1994 devaluation, CFA franc parity had remained the same as it was in 1948--50 CFA francs to the French franc. The devaluation enabled the IMF and the World Bank to resume negotiations on structural adjustment lending with CFA Franc Zone countries. AFDB data indicate that real GDP grew by 1.3 percent on average among the Franc Zone countries in 1994, following a decline in average real (deflated) GDP in 1993.[26] The devaluation is likely to make future investments in Franc Zone countries cheaper and more profitable, notwithstanding the fact that devaluation has raised domestic prices in the devaluing countries.[27]

Another important economic development for Sub-Saharan Africa during 1994 was the success of the region's 12 stock markets. According to the AFDB, stock markets in Sub-Saharan Africa posted the biggest gains in U.S. dollar terms among all markets worldwide, indicating that the region is increasingly being viewed by foreign investors as a viable emerging market for portfolio investment.[28] The Ghana, Kenya, and Zimbabwe stock exchange indexes increased by approximately 65, 80, and 21 percent, respectively, and the Côte d'Ivoire market registered a 60-percent increase as export earnings improved.[29] These performances compare favorably with those of other emerging stock markets, including those in Chile and Poland.

In regard to trade developments, several countries in Sub-Saharan Africa continued to view the establishment of free-trade zones as a potential mechanism for promoting exports.[30] For instance, in Namibia, a new free-trade zone was opened in Walvis Bay in 1994. In Zambia, as part of the liberalization of the country's exchange control system, the Government announced plans to license more private sector export-processing zones. In Zimbabwe, the Government amended relevant legislation to provide tax incentives and duty-free importation of raw materials and capital goods for export-processing zones.[31]

Country Profiles

The domestic reform initiatives of Angola, Botswana, Gabon, Ghana, Côte d'Ivoire, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe are described in the following section. A brief overview of political and economic reforms, generally within the last 5 years, for other Sub-Saharan African countries is provided in table 6-2.[32] Table 6-3 provides information on selected macroeconomic indicators for countries in the region.

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[26] AFDB, *African Development Report*, p.16.

[27] Donna Sims Wilson of the M.R. Beal Company, transcript of the hearing, p. 225. Ms. Wilson noted that her company had liquid assets that were hedged, so her company was not adversely affected by the CFA devaluation.

[28] AFDB, *African Development Report*, p. 179.

[29] Ibid.

[30] Ibid, pp. 184-185.

[31] Ibid.

[32] The information contained in table 6-2 is derived primarily from the following sources: cables from U.S. Embassies in Sub-Saharan Africa in response to a USITC request for assistance; U.S. Department of State Country Reports on Economic Policy and Trade Practices; U.S. Department of Commerce Country Commercial Guides; the AFDB, *1995 African Development Report;* Europa Publications, *Africa South of the Sahara 1995;* and Anund P. Neewor, Ambassador of the Republic of Mauritius, official submission to the U.S. International Trade Commission (USITC), July 26, 1995.

Table 6-2
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Benin	Burkina	Burundi
Independence	August 1, 1960	August 5, 1960	July 1, 1962
Polity/Political Reform	Constitutional democracy since 1990; as envisaged in the constitution, constitutional court installed June 1993 and economic and social council installed May 1994.	Constitutional democracy since mid-1991 when new constitution adopted; presidential election held in December 1991; stable political and social climate.	Transition to constitutional democracy, 1991-92; first presidential and legislative elections held June 1993; failed coup attempt in October 1993 incited ethnic violence on massive scale.
Economic Reform/ Policy Developments:	• Reversal of policy under SAP in 1990-1991 to reduce government intervention and enhance role of private sector. • Measures to mitigate the short-term inflationary effects of the CFA devaluation: tariff reform reducing duties on goods by 50%, supply of essential commodities, procurement of materials and doubling of budgetary credit for primary school rehabilitation, reimbursement of half the duties and taxes paid on goods imported before devaluation; salary increments; temporary price subsidies. • Debt rescheduling in December 1991 by bilateral official creditors reduced debt-service burden by one-half; half of official debt principal canceled in June 1993. • Number of parastatals reduced from high of 120 to 20 through privatization, rehabilitation or liquidation; process has slowed since 1993. • Enhanced Structural Adjustment Facility for 1993-95 approved by IMF.	• Measures in response to CFA devaluation: temporary price controls on essential commodities, tax adjustments, civil service pay raised by 4-8%, retirement pensions and study grants augmented. • Administered a 1991-93 SAP to stimulate growth, curtail inflation, reduce the current account deficit and eliminate arrears on external debt repayment: implemented taxation and customs duties reforms, value-added tax beginning in 1993 to stabilize expenditures on wages and channel funds into primary education, health and financial administration. • Import controls on 40 products lifted. • Inaugurated privatization and divestiture program in 1992 in attempt to promote private sector. • New investment code June 1992 permits 100% foreign ownership and provides for equal treatment. • Series of external debt rescheduling and cancellations in early 1990s; debt remains comparatively low and servicing moderate.	• Economic growth continues to be undermined by the increased ethnic and political instability of late 1993 and early 1994, and by the financial burden of repatriating and accommodating hundreds of thousands of refugees and displaced persons. • Plan to privatize half of all public enterprises and establish private management contracts for the rest by the end of 1995; by 1992, 24 of 84 public enterprises had been privatized. • No SAP administered since Five-Year Plan for 1983-87 to revitalize stagnant economy by increasing and diversifying production both for export and import-substitution; several small enterprises were established. • State monopoly on coffee exports relaxed. • Attempts to diversify crop production.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Cameroon	Cape Verde	Central African Republic
Independence	January 1, 1960	July 5, 1975	August 13, 1960
Polity/Political Reform	Transition to pluralistic democracy began in 1990 currently stalled by unpredictable political agendas, a flawed presidential election and social perceptions of unfulfilled promises of a new Constitution.	Multiparty democracy since 1992 constitution; system characterized by political and social stability; several factions currently vying for power but challenges made within the constitutional framework.	Democracy; first presidential elections held in August/September 1993.
Economic Reform/ Policy Developments:	• Fiscal adjust program to turn around the primary budget balance by 5.5% of GDP and reduce overall deficit by more than 3% over two years. • To mitigate effects of 1994 devaluation and civil servant salary cuts, reduction in prices of certain foodstuffs, rents, electricity and water prices. • Introduction in 1994 of the TCA or turn-over tax. • 1990 Investment Code provides extensive incentives and legal guarantees in exchange for minimal eligibility/performance requirements; features Industrial Free Zones. • Quantitative restrictions on imports removed; non-tariff protection, export taxes and price/margin controls virtually abolished; import licensing eased; export licensing to be removed • Since 1989, 44 parastatals have been liquidated, 4 privatized. • SAPs initiated since 1989 have removed significant barriers. • Official debt relief obtained from the Paris Club in March 1994.	• Government restructuring includes streamlining of public administration, reform of public enterprise sector, promotion of private sector, development of policy making and analytical capability and limiting of investment to basic infrastructure to facilitate expansion of private sector activities and basic social services. • Import tariffs streamlined and replaced by ten ad valorem rates from 5% to 50%. • Liberalization of 90% of imports; for those imports, licensing replaced by simple declaration of importation; no export controls; 1993 law provides variety of export incentives. • Established system of free enterprises or free zones for 100% exporters. • 1989-1990 investment laws specify equal treatment and opening of all sectors to foreign investment; generous incentives favor investments which are export oriented and diversify geographically and technologically the country's industrial bases. • Developing professional education project.	• Budgetary program objectives: eliminate the budget deficit, strengthen tax administration and increase tax revenues. • 1994 Emergency Programme of economic measures announced in October 1993; aimed at rehabilitating central government finances and eliminating the primary budget deficit. • Emergency Programme measures include: liberalization of the economy's regulatory framework, restructuring of public enterprises and the implementation of a new civil service state. • As member of the Franc Zone, devalued the CFA by 50%.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Chad	Comoros	Congo
Independence	August 11, 1960	July 6, 1975	August 15, 1960
Polity/Political Reform	Transition to constitutional democracy has been slow and difficult; political instability and civil unrest continues to impede ratification of constitution and electoral timetable.	Constitution was approved in June 1992 and first legislative elections held in December 1993, but polity characterized by continuous voluble conditions.	Constitution was approved in March 1992, elections were held in 1993, but instability and civil unrest remains a feature of political landscape.
Economic Reform/ Policy Developments:	• Austerity measures adopted in 1992, including plans to restructure the civil service, increase taxes, reduce salaries and privatize and number of banks and state-owned enterprises, prompted a prolonged strike in the public sector. • Strike-action ended in mid-1994 but continuing civil disorder has hindered government ability to restore fiscal stability and disrupted economic activity. • 1994 budgetary program, following CFA devaluation, aims at positive growth rate and return to a single-digit inflation rate by controlling credit to the public sector. • IMF stand-by program adopted in March 1994 to restore public finance through the collection of taxes and customs duties, guaranteed payment of civil service salaries.	• A three-year SAP for 1991-93 was undertaken to diversify exports, reduce public expenditure, promote export-oriented industry and privatize public enterprises; measures included abolishing of levies on export crops, liberalization of importation of a number of commodities, and dismissal of civil servants. • Implementation of SAP impeded by ensuing strikes and political instability; due to insufficient progress, IMF and World Bank prompted discussion of new objectives in 1992. • Devalued Comoros franc by 33.3%. • Economic reform program adopted for 1994-96 with goals of continued restructuring of public sector, reevaluation of price controls, restriction of inflation rate to 4%, reduction of current account deficit to less than 15% of GDP by 1996, and economic growth of 4%. • IMF approved new one-year Structural Adjustment Facility.	• Political and civil unrest during the early 1990s disrupted all sectors of the economy and impeded early attempts to implement austerity measures and liberalize. • Adopted a social and economic recovery program in 1994 providing for a 20-35% salary decrease for 80,000 civil servants to reduce the annual wage bill. • Agreed with IMF in 1994 to implement an adjustment program with the goals of arresting decline in non-oil real GDP, limiting the inflationary surge following devaluation, and containing the current account deficit to 28% of GDP. • CFA devaluation is expected to enhance export competitiveness, particularly for primary products, and increase the cost of imports, stimulating domestic import substitution, particularly in the manufacturing sector. • Debt rescheduling granted in August 1993 by Paris Club of official creditors.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Djibouti	Equatorial Guinea	Eritrea
Independence	June 27, 1977	October 12, 1968	May 24, 1993
Polity/Political Reform	New constitution instituted September 1992; of maximum of 4 political parties, 3 obtained legal status by mid-1994; government has been fighting a militant opposition group since 1991.	Multiparty democracy introduced with Constitution approved November 1991.	Four-year transitional period following independence to establish constitutional and pluralist political system; consultative council, national assembly and judiciary created by decree.
Economic Reform/ Policy Developments:	• Opposition group insurgency has been a major hindrance to economic activity and considerable burden on government expenditure; negotiations for peace settlement began in July 1994. • Economic development and revenue collection have been brought to a standstill in areas of the country outside government control; political uncertainty and civil unrest have discouraged foreign investment.	• Introduced economic program for 1993-95, supported by a 3-year Structural Adjustment Facility from IMF; program objectives included diversification of the economy, public sector reform, restructuring of financial sector and development of education and social welfare systems. • Lack of progress with 1993 program attributed to the government's expansionary fiscal and monetary policies and slow implementation of structural reforms. • 1994 proposal aims to increase real rate of economic growth while containing inflation at 35% and reducing the current account deficit. • To alleviate immediate social costs of CFA devaluation, government temporarily froze certain essential commodity prices, restrained petroleum prices, and is seeking to implement special employment schemes to cope with the expected increase in unemployment.	• Trade policy reform: new license regime, reduction/elimination of tariff and nontariff barriers, export promotion through preferential financing, assistance in international market penetration, and introduction of quality control standards, no customs duties or sales taxes on exports and reexports. • New investment law provides equal access and treatment, guarantees against noncommercial risks, permits wholly foreign-owned ventures and incentives include favorable exchange rate facilities and export tax exemption. • Schemes to provide technical training and credit mechanisms to small enterprises and to promote local and diversified micro-enterprises. • Established Business Licensing Office in 1995 to simplify and expedite process of business license acquisition. • Monetary objectives include establishment of national currency, strengthening banking institutions, development of diversified, competitive financial system; development bank to begin operation soon.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Ethiopia	The Gambia	Guinea
Independence		February 18, 1965	October 2, 1958
Polity/Political Reform	Transition to democracy began in 1991; Constitutional assembly elected June 1994 was expected to ratify a draft constitution; progress slowed by significant political opposition.	In July 1994, the president was deposed by a military group; the constitution was suspended and the presidency and legislature dissolved.	Transition to civilian rule began 1990; constitution promulgated December 1991; multiple parties permitted; first presidential election held December 1993; restructuring announced late 1994.
Economic Reform/ Policy Developments:	• Government borrowing and money supply growth were strictly limited in 1994; inflation rate stabilized at 6%. • Broad measures to improve macroeconomic management, the budget deficit, and limit government borrowing and money supply growth continued to be implemented. • Economic Relief and Rehabilitation Programme put in place in 1991-1992 slowly producing economic recovery. • Private investment policies liberalized, new labor code adopted. • Economic freedom restored to peasants as part of strategy of agriculture-led industrialization. • Public enterprises reorganized and required to meet performance criteria as step toward eventual privatization. • Tax and tariff systems reformed; all export taxes eliminated, except coffee. • Currency devalued in October 1992 and May 1994; regular foreign exchange auctions held with further financial liberalization expected. • Paris Club rescheduling of external debt granted in December 1992.	• Government continues to pursue prudent fiscal management through revenue enhancement, efficient allocation of resources, effective control over expenditures and restriction of borrowing requirements to the minimum. • Policies formulated to reorient structure of expenditures, in order to support diversification without reducing essential economic and social services. • Measures to encourage tax compliance and enhance administrative efficiency: corporate tax rate reduced from 50% to 35%, tax payer number system and computerization introduced, new unit in Finance Ministry to provide policy and oversee revenue collection established. • Expanded credit to private sector in effort to move from CFA franc into dalasis; money supply growth rate grew. • Flexible, market-determined interest rate policy pursued through bi-weekly treasury bill auction system. • Ongoing rationalization of public enterprises sector.	• Goals of 3-year 1991-94 SAP include: achievement of real average GDP growth of at least 5%, reduction of inflation rate to 8% by 1994, reduction of current account deficit to 4.2% of GDP by 1994. • Investment code liberalized to include equal treatment to foreign investment, guarantees against expropriation, incentives indicating a more positive attitude toward the private sector. • Of 135 public enterprises in 1985, al but 24 had been privatized or dissolved by 1992; future divestment scheduled. • In effort to unleash market forces, general price controls repealed and currency devalued. • Government expenditure rationalized as number of civil service positions reduced, fuel prices and utility tariffs increased. • Six state banks closed; laws enacted to allow establishment of private banking institutions. Paris Club rescheduling of external debt obtained in 1992.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Guinea-Bissau	Kenya	Liberia
Independence	September 10, 1974	December 12,1963	
Polity/Political Reform	New Constitution approved May 1984 and amended May 1991 to provide for multiparty political system; multiparty elections took place July 1994.	Constitution of 1963 amended in 1991 to establish multiparty system; persistent ethnic violence complicates political landscape.	State of civil war since 1989; Principal warring factions agreed in September 1994 to cease hostilities, reconstitute the Council of State and schedule elections for October 1995.
Economic Reform/ Policy Developments:	• In 1980s government initiated move away from centrally planned economy to economic liberalization. • Trading restrictions lifted, allowing private traders to import and export. • Extensive reorganization of banking sector under way since 1989, involving replacement of National Bank with a central bank, a commercial bank, a national credit bank to channel investment and an institution to manage aid receipts; in 1991 privately-operated foreign exchange bureaus authorized. • Previous SAP included proposals to liberalize economy, reform public administration and enterprises, stimulate GDP growth, lower inflation rate, and reduce current account and budgetary deficits. • In attempt to stimulate foreign trade, restrict 'black market' activity and restrain inflation, customs duties and general import taxes reduced. • 1991 decree on privatization defined areas of state intervention in economy and outlined rules for privatization.	• Structural policies undertaken include government expenditure rationalization, price decontrol, export promotion, interest rate liberalization, strict monetary measures to curtail inflation and capital market development. • Progressive liberalization and simplification of exchange controls including abolition of restrictions on current account transactions and retention accounts, freer buying/selling of foreign currency and remittance. • From January 1995, foreign investors may trade on Nairobi stock exchange. • Under tax modernization program, tax base widened, income taxes lowered, use of personal identification numbers in tax-related transactions introduced, VAT expanded. • Number of tariff rates and duties on certain manufactured items reduced; export processing zones being established; plans to simplify and expedite import licensing procedures. • Plans to privatize 29 parastatals and enhance autonomy and accountability of parastatal boards.	• Civil war resulted in considerable destruction and deterioration in the modern sector of the economy; despite peace agreement, continued factional violence has impeded reconstruction of economic infrastructure.

Table continues next page.

Table 6-2--Continued

Domestic reform in selected Sub-Saharan African countries, 1990-94

	Madagascar	Mali	Mauritania
Independence	June 26, 1960	June 20, 1960	November 28, 1960
Polity/Political Reform	Democratic republic; Constitution approved August 1992 provides for mixed parliamentary-presidential structure; government is relatively stable.	Constitution-based multiparty democracy; all major political parties support government's policy of shifting from socialism to promotion of free-market and private enterprise.	Constitution of Arab and African Islamic Republic approved July 1991; multiparty political system.
Economic Reform/ Policy Developments:	• Some Malagasy leaders favor reform through SAPs; others favor direct private sector financing on commercial terms; general agreement on goals of developing private sector, improving export volumes, creating jobs and reducing public sector deficits and debts. • Per 1994 SAP, interbank foreign exchange market established, allowing currency to float, price controls removed, further privatization of parastatals and measures to reduce budget expenditures including substantial civil service retrenchment. • "One-stop shop" opened to simplify approvals process for new projects. • Investment incentives to attract foreign investment in particular include relaxation of foreign exchange rules, tax exemptions, establishment of export processing zones, free repatriation. • Emergency rehabilitation project initiated in 1994 to repair severe damage to physical and economic infrastructure caused by cyclones.	• In framework of past and ongoing SAPs, investment, commerce and labor codes provide investment incentives such as equal treatment, liberal repatriation of profits and capital, duty-free importation of capital equipment, tax benefits for ventures in priority industries and incentives to reinvest profits, use local sources of inputs, and create jobs. • Devaluation of CFA franc by 50% in January 1994 expected to boost exports and investment in export ventures; 15% pay increase for civil servants to mitigate impact of devaluation. Government seeks to privatize most public enterprises. • Export taxes, import duties and price controls have been reduced or eliminated.	• Continued financial sector reform program, establishing system of periodic treasury auctions in June 1994 and rediscount facility for treasury bills. • To improve investment climate, government intends to simplify procedures to establish new enterprises, remove obstacles to promote payment of dividends and make tax system more favorable to exporters; 1993 began reexamining legal framework governing investment, to provide fiscal incentives for exports and eliminate restrictions on profit repatriation and capital transfers. • 1992 series of structural reforms included liberalization of trade, encouragement of private foreign and domestic investment, privatization and restructuring of parastatals, devaluation of currency and move to market-determined exchange rate. • New adjustment program initiated for 1994-96 to stimulate GDP growth and reduce overall budget deficit. • Cancellation of 50% of foreign debt service and rescheduling of remaining debt granted by Paris Club creditors.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Mauritius	Niger	Nigeria
Independence	March 12, 1968	August 3, 1960	October 1, 1960
Polity/Political Reform	Multiparty democracy; free and fair elections held regularly; separation of powers protected to ensure the efficacy of checks and balances in the democratic process.	Constitution promulgated in January 1993, after which presidential and civilian administrative elections held; civil and ethnic unrest has been recurring feature of political landscape.	Since November 1993, government run by military-dominated Provisional Ruling Council; democratic institutions abolished; PRC pledged to release plan for transition to democracy in late 1995.
Economic Reform/ Policy Developments:	• 1994/95 budget features abolition of foreign exchange controls, establishment of foreign exchange market, reduction in the maximum rates of duties on the bulk of imports, and major reform of the indirect tax system implemented over the next five years. • Successful diversification of economy through development of an export-oriented manufacturing sector, tourist industry and financial services sector in the offshore and free port: Export Processing Zones created; foreigners allowed to acquire shares in companies listed on stock exchange. • Foreign investment incentives offered include: free repatriation, low corporate tax rates, guarantees against nationalization. • To sustain economic growth momentum, efforts to accelerate modernization of existing infrastructure by upgrading capital equipment, improving labor skills and diversifying industries and markets.	• Economic strategy for 1994-96 aims primarily to reduce budgetary deficit through tax and administrative measures including cash settlement of half of domestic arrears and elimination of external arrears, and to improve competitiveness and strengthen economic activity. • 1994 budget proposal envisaged a general consolidation of expenditures and restriction of recurrent expenditures, but an increase in investment spending. • Pay increase of between 5 and 12% for some 39,000 civil servants and 12% increase in pensions announced in 1994. • Government did not attempt to contain inflation following CFA devaluation through price controls for long; tries to restrict wage demands from public sector employees. • Afforded cancellation of one-half of debt-servicing owed to government creditors through March 1994 agreement with the Paris Club.	• 1994-96 Rolling Plan expands government role in economy; economic policy reforms under 1986 SAP officially abandoned and some reversed. • Tax policy aims to improve enforcement of existing tax laws and machinery for collection; new VAT came into effect in 1994; withholding taxes on rents, interests and dividends raised from 5% to 10%. • Tight monetary policy to mitigate inflationary effect of deficit, but rate of inflation increased significantly in 1994. • Reorientation of exchange rate policy, instituting regulated system: exchange rate fixed, role of banks in foreign exchange minimized, parallel market outlawed, bureaux de change instituted as agents of Central Bank and to buy/sell foreign exchange at CBN rates. • Allocation system introduced to address resultant upward pressure on interest rates and depreciation potential. • New tariff structure effective February 1995 contains fewer import prohibitions. • Credits and guarantees for Nigerian, especially agricultural, exporters.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Rwanda	São Tomé and Principe	Senegal
Independence	July 1, 1962	July 12, 1975	June 20, 1960
Polity/Political Reform	Massacre of civilians resulted in hundreds of thousands of deaths, refugees and displaced persons; immediate aims of new president and administration inaugurated July 1994 were restoration of peace and democracy, repatriation of refugees, and reactivation of economy.	Democratic republic; constitution providing for multiparty system came into force September 1990.	Republic with elected president; unicameral legislature controlled by president's socialist party since independence; despite economic hardships, no immediate political instability.
Economic Reform/ Policy Developments:	• Government announced plans in 1993 to abolish legislation requiring government approval for the establishment of private business and commence program of privatization, but subsequent leaders opposed divestment in favor of programs to better employ natural resources, encourage greater self-sufficiency through land reform and prioritization of production of essential commodities. • All but emergency aid was withdrawn after violence erupted in April 1994. • Hopes expressed that restoration of peace might facilitate implementation of free trade zone with Burundi to encourage bilateral exchange of goods and services.	• Priority of government since 1991 has been the return to fiscal and economic austerity in accordance with the IMF and World Bank guidelines. • Currency has been repeatedly devalued. • Banking system reorganized in 1992: new central bank established, commercial operations transferred to the International Bank of São Tomé and Principe, and proposals considered to transfer currency transactions entirely to dealers licensed by central bank. • Price-setting for imported basic goods abolished, although maximum profit margins on such goods was retained. • New import tariff adopted January 1993: duties on essential goods reduced, taxes on emigrants' remittances reduced, duties on non-essential imports increased. • Process of privatizing all industrial companies scheduled for completion by the end of 1993 is still underway.	• 1994-96 policy reform plan includes stricter budget controls, elimination of most government subsidies, reduction of customs duties, efforts to control inflation, reduction in number of state-owned enterprises, measures to improve external competitiveness and continuation of structural reforms. • Following CFA devaluation in January 1994, import system liberalized and system of protection rationalized: export subsidies discontinued, customs duties lowered, quantitative restriction on certain goods eliminated. • Strategy to attract foreign investment includes liberal investment code, limitation of factor cost increases, inflation control, promotion of industrial opportunities in free trade zones and at a high-tech "science city" ("technopole") to be established with assistance from the African Development Bank. • Official debt rescheduling granted by Paris Club creditors.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Seychelles	Sierra Leone	Somalia
Independence	June 29, 1976	April 27, 1961	July 1, 1960
Polity/Political Reform	After one-party rule since 1977, return to democracy began in 1992; new Constitution approved June 1993, presidential and legislative elections followed in July.	Military government adopted transitional program in 1993 providing for installation of civilian government by January 1996, following multiparty presidential and legislative elections.	Long history of civil unrest intensified after overthrow of government in January 1991; security and stability has yet to be fully restored.
Economic Reform/ Policy Developments:	• 1994 budget proposed five-year development strategy including increased private sector involvement in economy, increased employment, improved social welfare, lower taxation and rate of inflation, 6% overall reduction in recurrent expenditures. • New list of customs tariffs introduced in 1994 to discourage imports, improve balance of payments and increase foreign reserves. • Marketing board reduced prices in 1994 of 20 food items and lowered charges for water and electricity. • Active encouragement of public and private sector investment with range of incentives promised; taxed profits may be freely repatriated. • National Economic Consultative Committee created in July 1993 with members of the business community and political opposition parties to participate in formulation of more liberal public economic policies.	• Main objectives of 1994 economic program were to maintain a stable macroeconomic environment which supports private sector development and improvement in provision of social and economic services. • 1994 budget stresses improvement in social sectors while supporting productive activities, including agriculture, fisheries and mining. • Extensive privatization program initiated March 1994. • New currency notes of higher denomination were introduced to enhance liquidity in the financial system. • 1992/93 program emphasized fiscal discipline in public sector, tighter open-market monetary controls, enhanced revenue collection, development of foreign exchange market, improved management of natural resources, and continued implementation of structural adjustment reforms including reduction in civil service staff and privatization.	• Civil unrest has severely disrupted economic activity with agriculture, virtually all domestic and foreign trade halted, and left an absence of government-led initiatives for economic reform.

Table continues next page.

Table 6-2--Continued
Domestic reform in selected Sub-Saharan African countries, 1990-94

	Sudan	Togo	Zaire
Independence	January 1, 1956	April 27, 1960	June 30, 1960
Polity/Political Reform	Military rule since coup in June 1989; transitional Constitution suspended, and all political organizations banned; population continues to suffer from repression and civil war.	Transition to multiparty democracy began in 1991; Constitution approved and first elected president sworn in September 1993; political situation unstable but showing signs of steadying.	Political reform and transition to democracy frustrated by political impasse and social unrest, particularly between 1991 and 1993.
Economic Reform/ Policy Developments:	• Government authorized commercial and private banks to fix their own daily prices for exchanging hard currencies in order to close the gap between the official exchange rate and the foreign exchange rate in the parallel market, and to reduce the premium on the parallel rates. • Due to increases in rate of inflation, subsidies which had been phased out on some essential commodities and price controls on other goods were reintroduced in August 1993. • Establishment of four free trade zones announced March 1992. • 1990 National Economic Salvation Programme called for reallocation of resources towards agriculture and other productive sectors, refinement of Investment Encouragement Act to include removal of government monopoly over almost all areas and privatization of parastatals, review of banking system, export liberalization, price decontrol and introduction of 'social solidarity' system to cushion effects of economic restructuring.	• Devalued CFA franc by 50% in January 1994. • To improve efficiency, government is selling or leasing a number of state enterprises to private interests; by the end of 1990, the assets of 30 companies had been transferred to private ownership and 18 others are intended for privatization. • Free trade zone established at Lomé in 1990 to stimulate export-oriented manufacturing, however many operations suspended due to political upheaval.	• Fall of 1993, government attempted to impose price controls on all consumer products with intrusive enforcement practices; controls failed to stop hyperinflation from printing currency to finance large government deficit, and alienated business community. • Government sets official exchange rate, but nearly all commercial transactions done at freely-floating and widely-quoted parallel rate in practice; government attempts to restrict parallel market have failed. • New currency introduced in November 1993 in attempt at monetary reform; new zaire collapsed within months. • Government does not employ export subsidies, but employs no programs exist to assist the export sector. • Lack of enforcement mechanisms and questioned legitimacy of ruling politicians have made pre-existing structural policies obsolete and have encouraged widespread disregard of newly-declared policies; World Bank has closed office in Kinshasa and IMF suspended membership in mid-1994.

Table 6-3
Sub-Saharan Africa: Selected economic indicators, 1993

	Real GDP[1]	GDP growth[2]	GNP per capita[3]	Share of real GDP (percent) Agriculture	Industry	Services
Sub-Saharan Africa	256,154	0.9	483	..	..	..
Angola	6,247	-22.6	..	5.9	58.2	35.8
Benin	1,847	3.3	420	39.9	15.9	44.2
Bostwana	2,461	3.0	2.590	6.4	44.0	49.6
Burkina	2,367	0.4	300	38.2	18.8	43.0
Burundi	1,333	-1.2	180	56.1	17.4	26.5
Cameroon	8,636	-4.9	770	26.2	34.1	39.7
Cape Verde	233	4.0	870	19.5	17.7	62.8
Central African Rep	1,039	-2.5	390	51.5	17.0	31.5
Chad	1,049	-2.9	200	36.5	19.2	44.3
Comoros	210	1.2	520	40.6	9.9	49.6
Congo	2,487	-2.1	920	8.1	64.7	27.2
Côte d'Ivoire	9,667	-1.1	630	31.9	20.6	47.6
Djibouti	375	-2.3	..	2.5	25.4	72.1
Equatorial Guinea	152	7.3	360	59.8	8.4	31.8
Ethiopia	5,561	7.7	100	62.8	8.3	28.9
Gabon	4,539	2.5	4,050	5.9	68.3	25.9
Gambia	297	1.5	360	21.1	11.3	67.5
Ghana	6,618	4.8	430	36.2	18.4	45.4
Guinea	2,681	4.5	510	22.1	33.6	44.4
Guinea-Bissau	202	2.9	220	46.8	8.1	45.1
Kenya	9,388	1.0	270	28.3	19.2	52.6
Lesotho	548	6.2	660	13.3	43.0	43.7
Liberia	..	..	..	34.8	15.0	50.2
Madagascar	2,739	1.9	240	37.7	14.6	47.7
Malawi	1,428	8.8	220	32.3	17.9	49.9
Mali	2,369	7.7	300	45.9	13.7	40.4
Mauritania	1,038	5.0	510	22.7	30.7	46.6
Mauritius	2,545	5.6	2,980	9.3	35.5	55.3
Mozambique	1,952	19.1	80	33.3	12.1	54.6
Namibia	2,255	0.3	1,660	11.0	36.9	52.1
Niger	2,312	1.4	270	39.8	17.2	43.0
Nigeria	37,743	2.9	310	35.1	25.1	39.9
Rwanda	2,265	3.2	200	35.9	22.6	41.5
São Tomé and Principe	61	1.5	330	26.2	21.6	52.3
Senegal	5,051	-2.0	730	17.9	19.2	62.9
Seychelles	326	3.9	6,370	3.2	19.5	77.3
Sierra Leone	601	0.7	140	45.5	19.3	35.2
Somalia	..	..	..	65.8	6.5	27.7
South Africa	84,602	1.1	2,902	..	..	..
Sudan	..	..	..	30.8	15.6	53.7
Swaziland	711	3.0	1.050	13.7	50.2	36.1
Tanzania	..	..	..	62.5	10.0	27.5
Togo	1,084	-12.7	330	49.8	17.3	32.9
Uganda	6,066	6.4	190	57.2	9.3	33.4
Zaire	..	..	..	50.5	15.3	34.1
Zambia	2,257	6.8	370	14.3	43.1	42.6
Zimbabwe	6,075	2.0	540	18.0	31.4	50.7

[1]Gross domestic product (GDP) in millions of U.S. dollars, constant 1987 prices.
[2]Percent annual change calculated from GDP at constant 1987 prices.
[3]Gross national product (GNP) in U.S. dollars, Atlas method.
[4]Figures shown in millions of U.S. dollars at current prices.
[5]Percent of GDP.

Notes– Statistics for Eritrea are not available.
".." indicates data not available or not applicable

Table 6-3--Continued
Sub-Saharan Africa: Selected economic indicators, 1993

	Current account ballance[4]	Total external debt[4]	Inflation rate (percent)	Gross domestic savings (percent)[5]	Gross domestic investment[4]	Net foreign direct investment[4]
Sub-Saharan Africa	-5,516	185,488	..	14.8	15.7	744
Angola	-995	9,655	1379	..	..	366
Benin	-53	1,487	2.4	3.2	15.2	1
Bostwana	..	674	14.3	35.0	38.3	..
Burkina	-117	1,144	0.5	2.2	22.1	0
Burundi	-52	1,063	9.7	-18.1	2.3	1
Cameroon	-1,034	6,601	-3.9	9.8	10.8	61
Cape Verde	..	158	10.6	..	..	..
Central African Rep	-21	904	-2.9	1.5	8.6	..
Chad	-88	757	2.1	-9.9	9.4	12
Comoros	4	184	4.0	0.4	15.4	1
Congo	-439	5,071	0.7	7.6	14.2	..
Côte d'Ivoire	-1,229	19,146	2.8	16.3	9.3	30
Djibouti	-53	225	5.5	-14.1	12.8	..
Equatorial Guinea	13	268	1.6	7.5	25.1	-12
Ethiopia	-23	4,729	3.5	1.6	16.0	..
Gabon	-90	3,818	1.2	34.9	21.6	24
Gambia	..	386	6.5	..	..	..
Ghana	-572	4,590	24.9	-1.2	14.8	..
Guinea	-269	2,864	7.1	9.6	16.4	67
Guinea-Bissau	-33	692	48.1	-2.5	24.0	..
Kenya	..	6,993	45.8	21.1	16.1	..
Lesotho	-135	512	13.9	-42.2	75.7	8
Liberia	..	1,926	6.5	..	..	..
Madagascar	-167	4,594	10.0	1.9	11.7	24
Malawi	-117	1,821	15.4	5.1	12.9	..
Mali	-101	2,650	-0.2	5.7	21.9	..
Mauritania	-85	2,203	9.4	13.0	24.8	21
Mauritius	-96	999	10.4	24.2	29.4	-25
Mozambique	-317	5,263	42.2	-11.0	41.5	32
Namibia	..	..	8.6	..	..	..
Niger	106	1,704	-1.2	1.3	5.7	..
Nigeria	..	32,531	57.2	..	..	..
Rwanda	-112	910	12.4	..	..	3
São Tomé and Principe	..	254	21.1	-11.0	72.2	..
Senegal	-301	3,768	-0.5	7.4	14.1	..
Seychelles	-48	163	1.3	8.7	23.0	35
Sierra Leone	-89	1,388	22.2	5.1	9.2	7
Somalia	..	2,501	24.4	..	..	..
South Africa	1,814	..	..	19.4	15.1	-8
Sudan	..	16,560	101.4	..	..	..
Swaziland	-58	226	17.0	1.6	20.2	26
Tanzania	-366	7,522	23.4	..	..	62
Togo	-84	1,292	-1.0	4.0	11.7	2
Uganda	-107	3,056	6.2	1.5	14.5	5
Zaire	..	11,280	1987	..	..	..
Zambia	-110	6,788	189.0	9.5	10.7	0
Zimbabwe	-95	4,168	27.6	21.3	22.5	4

[1]Gross domestic product (GDP) in millions of U.S. dollars, constant 1987 prices.
[2]Percent annual change calculated from GDP at constant 1987 prices.
[3]Gross national product (GNP) in U.S. dollars, Atlas method.
[4]Figures shown in millions of U.S. dollars at current prices.
[5]Percent of GDP.

Sources: The World Bank, *African Development Indicators 1994-1995* (Washington, DC: World Bank, 1995) and the African Development Bank (AFDB), *1995 African Development Report* (Abidjan: AFDB, 1995).

Angola

Angola is potentially one of Africa's wealthiest countries. Civil war, however, between the Government of Angola and the National Union for the Total Independence of Angola (UNITA) from 1975 to 1991 and again from 1992 to 1994, significantly damaged infrastructure and heavily burdened the public sector budget, hindering development. After years of attempts at socialist economic planning and centralized decision-making, the Government began in 1987 to launch various programs to privatize, liberalize, improve fiscal management, and to generally restructure the economy along market lines.

Under various SAPs, the Government of Angola adopted a program of currency auctions in late 1992 and early 1993, and in 1994, devalued the kwanza, the national currency, four times to narrow the gap between the official exchange rate and the parallel market rate. Subsidies and controls of some foodstuffs and of other consumer products were reduced or eliminated. In terms of trade liberalization, the process of obtaining import licenses became easier in 1993, according to Angolan and foreign importers, but the process still lacks transparency.[33]

Despite progress in economic liberalization, the Government of Angola still plays a significant role in importing through the activities of various ministries and state enterprises, which continue to be supported through heavy subsidies and credit.[34] Angola has had a high inflation rate--an annual inflation rate target was set in 1994 at 260 percent, compared with 1,840 percent in 1993, but the government deficit, which was estimated at 30 percent of GDP in 1993, continues to be financed by increasing the money supply with little corresponding improvement in the supply of goods and services.[35] Angola's total external debt as indicated in table 6-3 was over $9 billion in 1993, or over 100 percent of GDP.

Botswana

Botswana has a multiparty, constitutional democracy, with free and fair elections held on schedule since independence. There is broad consensus across the political spectrum that private enterprise should be encouraged and that foreign investment is crucial to diversification of the economy.

During the 1980s, Botswana's economic growth was above 10 percent per year, but as indicated in table 6-3, GDP growth has slowed substantially to 3 percent in 1993. The growth that did occur in 1993 was mostly in the public sector, in which employment grew at a rate of 16 percent. Because of a decrease in private sector employment, however, unemployment in 1994 was expected to reach 20 percent.[36]

The Government has taken a number of measures to encourage private sector development. The tax system was revised, lowering the corporate tax rate and the top marginal rate for individual income tax from 40 percent to 35 percent. Foreign exchange controls were abolished as commercial

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[33] U.S. Department of Commerce, "1994 Country Commercial Guide for Angola," 1994.

[34] Ibid.

[35] U.S. Department of State, "Country Report on Economic Policy and Trade Practices: Angola," July 19, 1994.

[36] U.S. Department of Commerce, "1994 Country Commercial Guide for Botswana," 1994.

banks became authorized dealers in foreign exchange, and limits were increased on externally remittable allowances for both local and foreign companies as well as for individuals.[37] Fiscal incentives for small and medium-scale enterprises introduced under the Financial Assistance Policy include tax relief; training grants; and capital grants for new employment creation, investment in rural areas, foreign trade zones, and manufacturing projects. A liberal investment scheme provides for equal treatment and imposes no performance requirements.[38]

The Bank of Botswana eased monetary policy twice in January 1994, reducing the interest rate and introducing certificates of deposit to restrict bank liquidity. The inflation rate declined in 1994, reflecting, in part, the success of monetary policy and also the declining inflationary trends of Botswana's trading partners.[39]

Côte d'Ivoire

The Côte d'Ivoire has been undergoing a stable transition to multiparty democracy over the last 4 ½ years. From independence in 1960 until 1993, the country was ruled by a single president, Felix Houphouet-Boigny, whose Democratic Party of Côte d'Ivoire was the sole party permitted. In reaction to worsening economic conditions in the 1980s, Houphouet liberalized the political system and allowed multiparty elections in 1990. After his death in 1992, he was succeeded by National Assembly President Henri Konan Bedie. President Bedie was elected President in October 1995 and parliamentary elections were held in November 1995.

A new phase in Côte d'Ivoire's economic development began in 1991 with the Government's implementation of a SAP, involving both fiscal austerity and market liberalization and disengaging the state from the production and service sectors. The objectives of the SAP include reduction of the fiscal deficit, accelerated privatization, and liberalization of foreign trade.[40]

Following the CFA franc devaluation, the Government imposed temporary price controls on over 30 types of consumer goods and services, raised salaries for civil service, and reduced the value added tax.[41] However, the devaluation is expected to enhance the competitiveness of Ivoirian exports to the extent that inflation can be contained, and to stimulate agricultural production both for export and for the domestic market as imports become more expensive. Customs duties and import taxes were reduced to a cumulative maximum of 35 percent after the devaluation. Import duties on essential raw materials and intermediate goods were also lowered as part of the effort to boost productive capacity in the agro-allied industries.

The Government's investment policy does not impose significant limits on foreign investment or differential treatment, and it does not contain local content requirements or export performance requirements of significance. In general, foreign investors have access to all forms of remunerative activity on equal terms.[42] In August 1994, the Government announced that it is developing a "Guichet Unique," or a "One-stop Shopping" program, within the Prime Minister's office to promote and facilitate foreign investment. The objectives of the program include the development of a

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[37] AFDB, *African Development Report*.

[38] Ibid.

[39] Ibid.

[40] *Africa South of the Sahara 1995*.

[41] AFDB, *African Development Report*.

[42] U.S. Department of Commerce, "1994 Country Commercial Guide for Côte d'Ivoire," 1994.

portfolio of potential investment opportunities in the country, the provision of financial and statistical information on the economic situation in all key sectors, the streamlining of bureaucratic procedures, and the monitoring and evaluation of investments once they are made.[43]

Gabon

During the transition to multiparty democracy, Gabon has been experiencing some political instability, particularly since its contested presidential elections in 1993. Gabon's major political parties support a "mixed economy," welcoming foreign investment, but maintaining a relatively large state sector.[44] Attempts to privatize state-owned enterprises have been repeatedly rejected, although there is some private management of parastatals. The Government recognizes the need to attract foreign skills and technology and has been attempting to diversify its economic relationships and to encourage investment from the United States.[45] As shown in table 6-3, Gabon's economy in 1993 was dominated by industrial production, but much of this is accounted for petroleum and mining.

Gabon does not formally recognize the principle of national treatment, but, under current practice, U.S. firms that have been established in Gabon with large investments operate on an equal basis with national firms.[46] In Gabon, as in other CFA Franc Zone countries, foreign exchange can be freely remitted and there are no restrictions on the introduction of foreign capital or its transferral within the Franc Zone.

Following the devaluation of the CFA franc, Gabon revised its budget to provide temporary subsidies on essential goods and for increased expenditures in the social sector, particularly for primary education and health delivery services. A pay increase was also awarded to civil servants, increasing the governmental wage bill by about 10 percent.[47] Recently, the Government abolished import prohibitions on a number of staple commodities, pursuant to an IMF loan (see below).

Gabon is faced with large external payments and domestic arrears. In March 1994, Gabon and the IMF agreed on a 12-month stand-by accord, which was followed by agreements with Paris Club and the London Club of commercial creditors, to reschedule Gabon's debt. By June 1994, Gabon had met initial IMF targets relating to wage increases and inflation. As table 6-3 indicates, despite its financial difficulties, Gabon continues to be one of the more well off countries in Sub-Saharan Africa, with a per capita income of $4,050 in 1993.

Ghana

A democratic government was restored in Ghana under a written constitution in January 1993, when a popularly elected Parliament took office. The civilian government has maintained the reform measures and budgetary austerity of a SAP adopted in 1983 by the previous military government. The program emphasizes development of the private sector and privatization of state-owned and operated enterprises. Exchange rate controls, most import restrictions, and almost all local production subsidies have been eliminated under Ghana's SAP.

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[43] Ibid., "The Investment Incentive Program in Côte d'Ivoire," Market Research Reports, IMI940823, Apr. 27, 1995.

[44] Ibid., "1994 Country Commercial Guide for Gabon," 1994.

[45] Ibid.

[46] Ibid.

[47] AFDB, *African Development Report.*

The Government of Ghana has actively promoted development of competitive domestic industries with exporting capabilities and is expected to continue promoting private enterprise with incentives and financial support.[48] In addition to reducing tariffs, it has afforded various forms of personal and corporate tax relief and sold its $25 million stake in seven of the stock exchange's largest companies to international investors in 1994.[49] The recently revised investment code provides for unconditional transferability of dividends, loan repayment, and for licensing fees and repatriation of capital, guarantees against expropriation, and delineates dispute arbitration processes. Foreign investors enjoy equal treatment on taxes, access to foreign exchange, and credit.[50]

Ghana is implementing a new trade policy designed to diversify its export trade. Additionally, tariff structures are being adjusted in harmony with the ECOWAS trade liberalization program to create a lower and more uniform pattern of tariff protection. As part of this restructuring, the tariff system is being streamlined by narrowing the range of taxes, reducing the number of rates, abolishing special import taxes, reducing the scope of duty exemptions and concessions, and simplifying the duty drawback system.[51] In line with its obligations under the WTO, the Government has stated its commitment to the eventual attainment of uniform duty and tax rates applicable to all imports.[52]

In mid-1991, Ghana succeeded in clearing all external debt arrears and graduated from its Enhanced Structural Adjustment Facility (ESAF) in December 1991. The Government is currently negotiating a $240 million 3-year ESAF with the IMF for 1995-97. Since 1992, Ghana has been experiencing macroeconomic problems resulting from an 80-percent increase in public sector wages that occurred prior to elections in that year. The resulting inflation and tight credit have reportedly discouraged private investment.[53] In 1994, the Government instituted new tax measures, which included raising taxable income levels and introducing a 17.5 percent value-added tax. The latter was later repealed, however, in March 1995 after violent protests.[54]

Lesotho

The transition from military rule to a democratic government in Lesotho began with the promulgation of a new Constitution in March 1993. Lesotho's return to democratic rule, combined with the introduction of a new labor code, resulted in labor unrest which has eroded political stability. The transition to majority rule in South Africa is regarded as factor that will contribute to increased cooperation among Lesotho's political parties in the future, however.[55]

Lesotho successfully completed its second ESAF in March 1994, but plans for a new program have been jeopardized by the labor unrest within the police and army creating substantial salary concessions and potentially disrupting fiscal discipline. Lesotho has realized balance of payments surpluses since 1989, but inflows consist principally of remittances and unrequited transfers in the

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[48] U.S. Department of State, "1994 Country Report on Economic and Trade Policy Practices: Ghana," 1994.
[49] Ibid.
[50] Ibid.
[51] Daniel Hagan, Commercial Counselor, Embassy of Ghana, transcript of the hearing, p. 74.
[52] Ibid.
[53] Department of Commerce, "1995 Country Commercial Guide for Ghana," 1995.
[54] Ibid.
[55] Ibid., "1994 Country Commercial Guide for Lesotho," 1994.

form of grant aid. Exports have grown in recent years, but still represent only a fraction of imports. Unemployment is officially acknowledged to be at least 35 percent.[56]

Foreign investors in Lesotho may wholly own their investment and there are largely no restrictions on transfers of funds. As noted earlier, Lesotho is a member of the CMA, and its currency is fully and freely convertible. An $11 million World Bank loan agreement for reform and eventual sale of some of Lesotho's parastatals was recently signed which may create opportunities for foreign investors.

Malawi

After 30 years of autocratic rule in a one-party state, Malawians elected their first president in multiparty elections in May 1994. The new Government declared poverty alleviation through economic growth as its principal goal and has emphasized its intention to develop a more open economy in which the private sector plays the predominant role.[57]

Malawi's 1994 economic reforms included reducing tax rates, broadening the tax base, and improving tax administration to close loopholes. Fiscal measures included a reduction in the general maximum rate of import duty from 45 percent to 40 percent, an amendment to the Income Tax Law creating exceptions for capital gains taxes, and tax rate reduction for low-income taxpayers. Partly because of increase revenues and governmental efforts to control expenditures, Malawi's overall fiscal deficit (before grants) was expected to decline in 1994.[58]

In 1994, the Government announced it would float its currency, which had been pegged to a trade-weighted basket of currencies, thus narrowing the gap between the official and parallel rates. The Government also abolished foreign exchange controls, authorized commercial banks to became foreign exchange dealers, and allowed local companies and individuals to hold foreign currency accounts. The liberalized foreign exchange regime has contributed to inflation and to demands for higher wages, but has also stimulated the manufacturing sector to increase domestic production and exports.[59]

Under the Government's policy of trade liberalization, import duties on several goods were reduced from 100 to 65 percent ad valorem. In terms of public sector reform, 30 public enterprises were dissolved in 1994, and the main agricultural development and marketing corporations were slated for restructuring. The Government actively solicits foreign investment through a variety of incentives, including tax allowances, duty waivers, and rebates. There are no limitations on private ownership, and legal restrictions on the repatriation of after-tax profits are few, but shortages in foreign exchange holdings have created delays. Procedures for establishing businesses are being streamlined, and industrial licenses have been abolished.[60]

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[56] Ibid.
[57] Ibid., "1994 Country Commercial Guide for Malawi," 1994.
[58] AFDB, *African Development Report.*
[59] U.S. Department of Commerce, "1994 Country Commercial Guide for Malawi."
[60] Ibid., "Malawi Investment Climate Statement," Market Research Reports, ICS9410, Apr. 27, 1995.

Mozambique

Democratic elections held in October 1994 ended Mozambique's one-party state that had been in effect since its independence in 1975. Political uncertainty has discouraged investment in the past, but it is expected that the postelection period will provide a more stable and positive business environment.[61] Mozambique's 1993 per capita income of $80 is one of the lowest in Sub-Saharan Africa (table 6-3).

The Government abandoned its Marxist economic principles in 1987 and has since attempted to move toward a market-based economy by taking steps to encourage development of the private sector. Progress has been slow, however, as the private sector remains small because of the lack of private capital. Through its privatization program, the Government has sold about 270 mostly small and medium-size companies. Larger parastatals are scheduled for sale within the next 2 or 3 years.[62]

Progress in improving the country's fiscal situation was hampered by a serious drought in 1993-94 and by programs for demobilization following the civil war and the elections. To increase tax revenues, the Government introduced tax reforms in 1994 aimed at streamlining the tax system and increasing the competitiveness of domestic production and exports. Among the measures instituted were elimination of the turnover tax on imported inputs, a 5-percent reduction in tariffs on inputs, a reduction in the industrial contribution tax, the updating of nominal values and fines used in tax regulations, new rules for valuation of fixed assets, and rationalization of the structure of consumption taxes.[63]

New investment laws were enacted in mid-1993 to encourage investment, and a Center for the Promotion of Investment was established to assist investors in implementing projects. Additionally, laws were passed in 1993 to set up free-trade zones. The World Bank plans to fund a major restructuring of the financial sector over the next 2 years.[64]

Namibia

Since its independence from South Africa in March 1990, Namibia has peacefully established itself as a multiparty democracy. The formerly Marxist-oriented South West Africa People's Organization (SWAPO), the ruling party since independence, now champions a mixed economy. Job creation is among the Government's highest priorities. Bringing previously disadvantaged Namibians into the economic mainstream through private sector development has led the Government to actively seek foreign investment and maintain a positive relationship with the private sector.[65]

The Government's first Five-Year Development Plan for 1995-2000 emphasizes diversification of the economy away from the major export commodities and from its historical reliance on South Africa and promotes expansion of the labor-intensive manufacturing sector. In 1990, the Government introduced the Foreign Investment Act, which provides for an administrative Investment Center and guarantees equal treatment for foreign investment, fair compensation in the event of expropriation, international arbitration of disputes between investors and the government,

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[61] Ibid., "1994 Country Commercial Guide for Mozambique," 1994.
[62] Ibid.
[63] AFDB, *African Development Report*.
[64] U.S. Department of Commerce, "1994 Country Commercial Guide for Mozambique."
[65] Ibid., "1995 Country Commercial Guide for Namibia," 1995.

the right to remit profits, and access to foreign exchange. Special tax incentives also became available for manufacturing enterprises.

Walvis Bay, which Namibia recovered from South Africa in March 1994, became operational in mid-1995 as Namibia's first full-scale export-processing zone. Export-processing zone incentives include exemptions from customs, import, and export duties, from any taxes on equipment and goods, and from income, profit, and sales taxes.[66] The Namibian Stock Exchange opened in September 1992 and currently lists nearly 20 companies. The Government has introduced a variety of tax incentives to attract mutual funds and foreign portfolio investors to this market. The Namibian Stock Exchange is the second largest African stock market in terms of the total value of shares listed.

South Africa

Important political changes occurred in South Africa with the establishment of a multi-racial democracy less than 2 years ago. Past isolation and political uncertainty contributed to an economic downturn that only now is reversing. In 1993, after a 4-year recession, the country registered a 1.1-percent growth rate, largely because of substantial increases in production of merchandise and in the value of gold exports, and of a significant recovery in agricultural production. Growth continued in 1994, and GDP is predicted to increase an average of 4 percent per year until the end of the decade.[67]

Manufacturing represents the largest sector of South Africa's economy, followed by finance and business services, commerce, mining, and agriculture. Despite the fact that South Africa is an upper-middle-income developing country with a GNP per capita of $2,902 in 1993 (table 6-3), the country faces many longer term problems, such as a shortage of skilled labor, uncompetitive trade policies, the concentration of economic power within a few conglomerates, and high taxes.

With the establishment of a democratically elected government, South Africa became eligible for loans from the World Bank. Additionally, in December 1993, the IMF approved the Government's application for an $850 million drought reserve loan, which enabled it to replenish its foreign exchange reserves.[68] The new South African Government has made the Reconstruction and Development Program (RDP) a top priority.[69] Under this program, the Government committed to reduce economic distortions caused by past racial policies and to increase spending on socio-economic development for the black majority. Since the mid-1970s, the economic policy in South Africa has been characterized by extensive governmental intervention in the economy to protect inefficient industries, to provide employment, and to combat economic sanctions.[70] Although it does not currently have in place a donor-sponsored SAP, the South African Government has recognized the need to turn its economy from an isolated import substitution regime to a competitive, export-focused market economy.[71] Monetary policies are designed to lower the rate of inflation;

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[66] Ibid. The Country Commercial Guide also notes that there is no direct shipping service from the United States to Walvis Bay. All ocean shipments must transfer from South Africa, thus entailing additional cost.

[67] U.S. Department of Commerce, Foreign Commercial Service, "South Africa: Big Emerging Market," Johannesburg, Jan. 1995.

[68] U.S. Department of State, "Economic Policy and Trade Practices: South Africa," July 1995.

[69] Ambassador Franklin Sonn, Embassy of the Republic of South Africa, official submission to the USITC, Aug. 2, 1995.

[70] U.S. Department of State, "Economic Policy and Trade Practices: South Africa."

[71] U.S. Department of Commerce, "1995 Country Commercial Guide for South Africa."

privatization is underway for a number of parastatals; and the Government is promoting private sector investment and competition. New incentives to attract investors to South Africa include abolition of surcharges on imports and lower taxes on investment earnings in the country.[72]

The South African Reserve Bank has substantial control of foreign currency. The Reserve Bank of South Africa maintains two exchange rates: the Financial Rand, which is used to value foreign investment flows and outflows, and the Commercial Rand, which is used for all other transactions. The use of the Financial Rand makes it advantageous for South Africa to import capital.[73] During the last half of 1993, South Africa negotiated with its foreign creditors to reschedule $5 billion worth of debt, which will be completely amortized over a period of 8 years.[74]

Swaziland

Swaziland is a dual monarchy, and the King and Queen Mother have extensive powers in all three branches of government. Political parties are illegal, although there have been few political movements and little organized activity. In response to charges that the elections had been "undemocratic," it was announced in early 1994 that the King would appoint a 5-member committee to draft a new constitution in order to incorporate amendments to the electoral system, oversee establishment of a national policy council, and to draft a manifesto for the Swazi people.

Growth of the Swazi economy during the past 10 years is largely attributable to its status as an intermediary trader with South Africa while that country was under economic sanctions and to the fact that a significant governmental budget surplus between 1986 and 1992 enabled the government to invest in infrastructure and become a major lender for private investment. Separately, the monarchy holds trust funds for the country derived from rents on natural resources and from land exploited by expatriate interests, which have also been invested in private enterprise and in real estate. These trust funds represent a significant source of funding for new ventures.[75]

There are few, if any, formal or legal barriers to trade and investment in Swaziland.[76] The process of privatizing parastatals involved in public utilities, larger transportation facilities, and the communications system has just begun.

Tanzania

Tanzania's socialist economic policies during 1967-1985 strongly discouraged private sector growth. Since 1986, however, Tanzania's economy has been in a state of transition toward a market-based economy. Tanzania's constitution was amended in 1992 to permit political activity by opposition parties. National elections for the presidency and the parliament were held in October 1995.[77]

Liberalization of the foreign exchange system in 1993 resulted in the introduction of foreign exchange shops and in the unification of multiple exchange rates. These changes were accompanied by monetary policy reforms under which real interest rate determination was turned over to market

[72] Ibid.
[73] Ibid.
[74] Ibid.
[75] U.S. Department of Commerce, "1994 Country Commercial Guide for Swaziland," 1994.
[76] Ibid.
[77] Ibid., "1995 Country Commercial Guide for Tanzania," 1995.

forces and the Government stopped funding the domestic budget deficit through monetary expansion.[78] The Government also strengthened export promotion policies, relaxed foreign exchange controls, introduced foreign exchange bureaus, and abolished import licensing and permits.[79]

In 1994, measures taken to increase revenue collection included strengthening the assessment and collection of taxes on imports, a review of all tax exemptions, and strengthening the Revenue Collection Department through training and provision of modern equipment. Structural reforms in the financial sector allow commercial banks to be established as private sector institutions and, as of May 1994, several new banks have been licensed. The Government has submitted to Parliament the Capital Markets and Securities Act to facilitate the establishment of a stock exchange market in Tanzania.[80]

In terms of public sector reform, the Government made a policy decision to remove itself from the productive sectors of the economy by commercializing parastatals and privatizing as many as possible. Restructuring procedures have been completed for 26 public enterprises. Some were offered as joint ventures, and others were placed under management contracts. The Government also announced the retrenchment of 20,000 employees.[81] The National Investment Promotion and Protection Act (NIPPA) was introduced in August 1990 to encourage foreign and local investment. The NIPPA provides for priority investment areas and dispute settlement, offers investors incentives and benefits, and guarantees against nationalization. The Investment Promotion Centre was established in 1991 to monitor and regulate investments.

Uganda

A process of democratization is underway in Uganda. What was widely considered a free and fair election took place in March 1994 for the Constituent Assembly. Under a new constitution, elections for President and Parliament will be held in late 1995 or early 1996. The economy of Uganda has shown a steady recovery since the initiation of an Economic Recovery Program Plan in 1987. Sustaining price stability continues to be an objective of the Government's macroeconomic program.[82] Tax policy has as its objectives the maintenance of low tax rates so as to foster compliance and to simplify the tax code in order to facilitate both administration and public understanding.

More recently, a major effort was made to restructure the main banks in Uganda, and in July 1994 the Bank of Uganda established a Deposit Insurance Fund to compensate small depositors in case of bank failure. Progress has been made toward launching the Kampala Stock Exchange through the sale of government holdings in some prime commercial enterprises and with the appointment of a Capital Markets Development Committee comprising private and public sector members who will advise the Government.[83]

Uganda's trade reforms in 1994 included the introduction of the Harmonized Commodity Coding system which reclassified goods into three categories for the purpose of applying import and

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[78] Ibid.

[79] AFDB, *African Development Report.*

[80] Ibid.

[81] Ibid.

[82] Ibid.

[83] Ibid.

excise duties, and sales taxes. A Comprehensive Bill of Entry, usable for both imports and exports, was instituted to streamline customs declaration documents, and non-goods-specific import certificates replaced import licenses. Import duties were also reduced in 1993; the highest duty was reduced from 80 percent to 30 percent and the lowest duty payable was lowered from 50 percent to 10 percent.

To promote private and foreign investment, the Uganda Investment Authority approves project proposals, assists investors in establishing a presence in Uganda, and has been investigating further improvements in policies to encourage private investment.[84] The Government has been pursuing a three-tier approach to privatization: liquidating loss-making parastatals, divesting those which could be better managed by private companies, and restructuring others. Because only 18 public enterprises had been privatized by the end of 1994, the Government enacted changes in January 1995 to streamline the program and pick up the pace of privatization. Twenty-four public enterprises are now slated for divestiture in 1995.[85]

Zambia

Zambia was constitutionally a one-party state until mid-1991 when a political movement succeeded in achieving multiparty elections in October 1991. The current Government espouses free-market policies and plans to privatize parastatals and foster the private sector. Zambia has been employing an ambitious SAP, the stabilization portion of which began to show results in mid-1993 when inflation fell sharply from over 200 percent to less than 10 percent in the last 5 months of 1993.[86] The Government has committed to refrain from financing the budget through borrowing from the Bank of Zambia, having repaid part of its debt owed to the Central Bank in 1994 with budgetary surplus. The Bank's monetary policy has aimed at containing growth of the money supply and limiting domestic credit expansion.[87]

Under Zambia's SAP, price and exchange rate controls were removed and interest rates have been freed, although high interest rates are reportedly hindering private borrowing.[88] The Government has updated the investment law to provide tax incentives and other benefits for foreign investment. It also plans to restructure the Lima Bank and the Development Bank of Zambia to ensure that lending institutions designed to foster development are adequately capitalized to meet the needs of private investors.[89]

The Government has also abolished quotas and most other nontariff barriers. Tariffs on most goods have been lowered and simplified to one of three rates: 20, 30, or 40 percent.[90] Other reforms, including legal, land, and civil service reform, have been proceeding slowly. An exception is the transfer of revenue collection responsibilities to an independent revenue authority, which, along with

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[84] The Uganda Investment Authority is currently receiving assistance from the EU's European Development Fund.

[85] U.S. Department of Commerce, "1994 Country Commercial Guide for Uganda," 1994.

[86] Ibid., "1994 Country Commercial Guide for Zambia," 1994.

[87] AFDB, *African Development Report.*

[88] U.S. Department of Commerce, "1994 Country Commercial Guide for Zambia," 1994.

[89] Ibid.

[90] U.S. Department of Commerce, "1994 Country Commercial Guide For Zambia."

tax reforms and a 1994 Income Tax Law designed to broaden the tax base, has improved the efficiency of tax and customs collection.

The Privatization Agency of Zambia had planned to sell 32 parastatals in the second phase of its SAP, with more than 63 to be privatized in the third. These included companies in the manufacturing, mining, agro-industry, engineering, tourism, transport, construction, financial and energy sectors.[91] However, by the middle of 1994, the privatization processes was reportedly "mired in political and bureaucratic infighting."[92]

Zimbabwe

Zimbabwe is a sovereign republic and its Constitution serves as the supreme law. Under Zimbabwe's Economic Structural Adjustment Program (ESAP), which was launched in 1991, the government has eliminated import licenses, the export retention scheme, foreign exchange allocation quotas, and restrictions on tenders for public sector projects.[93] Additionally, the Zimbabwe dollar was devalued by 17 percent in January 1994 and made convertible. The devaluation followed the relaxing of foreign exchange controls in July 1993, which allowed investors to repatriate proceeds, boosting the Zimbabwe Stock Exchange.[94]

In the area of fiscal policy, chronic fiscal deficits over the past 4 years, which were exacerbated by a drought in 1992, combined with tight monetary policy have resulted in high interest rates which have hindered domestic investment. The fiscal deficits have also resulted in high annual inflation rates, which peaked at almost 50 percent in 1992 before falling to 22.3 percent in 1994. In response to the Government's fiscal situation, the World Bank and the IMF ceased structural adjustment lending and disbursement of ESAF credits to Zimbabwe in 1995.[95] Zimbabwe's fiscal deficit is expected to be further exacerbated in 1995 due to the effects of another drought.

Zimbabwe's capital budget has emphasized ongoing investment projects in key sectors that provide infrastructure for supporting new and existing investment. Institutions such as the Zimbabwe Investment Centre, the Zimbabwe Development Bank soft window, and the Social Development Fund were created to facilitate the development of small-scale enterprises that have a higher potential for employment generation in the country. Additionally, the Government has decided to establish a National Investment Trust as part of a program to develop human resources and promote investment in existing and new ventures or activities.[96]

The Government has stated that the Second Phase of its ESAP starting in August 1995 will incorporate changes in all sectors in line with the Uruguay Round Agreements. Additionally, the following are among the policies the Government plans to introduce in the Second Phase: establishment of export-processing zones; trade policy alignment to make such policies more

[91] Ibid.
[92] Ibid., "1995 Country Commercial Guide for Zambia," 1995.
[93] Ambassador B. M. Midzi, Embassy of the Republic of Zimbabwe, official submission to the USITC, Aug. 1, 1995.
[94] Ibid.
[95] U.S. Department of State cable, "Economic Growth Prospects for 1995 Dive Due to the Drought," message reference No. 006245, prepared by U.S. Embassy, Harare, June 1995. The IMF and the World Bank continue to monitor the situation and to work with the Government on structural adjustment issues.
[96] AFBD, *African Development Report*, p. 171.

transparent; establishment of an industrialization policy with less government control and bureaucracy; introduction of new service, tariff and financial policies; and establishment of a Tariff and Monopolies Commission.[97]

Other Developed Countries' Trade and Development Programs for Sub-Saharan Africa

The available information on foreign countries' trade and development assistance programs for Sub-Saharan Africa is summarized below. As noted in chapter 1, France, the EU, and Japan are important providers of development and trade assistance to the region. Foreign country assistance programs in South Africa are summarized in the final section because of the importance of South Africa in U.S. assistance and trade flows.

France

French bilateral assistance is disbursed through the Caisse Francaise de Development (CFD). Additional trade and investment assistance is provided by Proparco, a venture capital entity, and through export credit guarantee programs, such as COFACE.[98] The U.S. Department of State reports that France has significant trade promotion initiatives that have helped to cement commercial relations with the Cote d'Ivoire. A portion of French bilateral aid, totaling around $500 million per year, supports investment in Ivoirian enterprises and joint-venture initiatives.[99] The U.S. Department of State also reported that, in the Congo, where France is the largest donor, the CFD provided financing for investment in the Nkossa oil field, as well as structural adjustment assistance.[100] It is reported that the French Government has been able to expand its assistance to the Congo by cofinancing projects with the World Bank.[101]

The European Union

The Lomé Convention

The EU's principle vehicle for trade and development assistance for Sub-Saharan Africa is the Lomé Convention. Under this Convention, 70 African, Caribbean, and Pacific (ACP) countries are eligible for trade preferences and development assistance programs administered through the European Development Fund (EDF) and the European Investment Bank (EIB). The Fourth Lomé Convention was signed in December 1989 for a period of 10 years. The first financial protocol to the Lomé Convention, which provided ECU12.0 billion (US$15.6 billion) of EDF and EIB resources, expired in February 1995. The second financial protocol, approved in June 1995, will provide ECU13.3 billion (US$17.3 billion) in assistance for all ACP countries during 1995-2000.[102]

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[97] Ambassador B. M. Midzi, Embassy of the Republic of Zimbabwe, official submission, Aug. 1, 1995.

[98] COFACE is the equivalent of the U.S. Eximbank.

[99] U.S. Department of State cable, message reference No. 006138, prepared by U.S. Embassy, Abidjan, June 1995.

[100] U.S. Department of State cable , message reference No. 01775, prepared by U.S. Embassy, Brazzaville, June 1995.

[101] Ibid.

[102] U.S. Department of State cable, "Mid-term Review of Lomé Agreement," message reference No. 007082, prepared by U.S. Embassy, Brussels, July 1995.

Development assistance under the Lomé convention includes project financing, interest rebates, emergency aid, aid to refugees, and risk capital.[103] Another significant feature of the original Lomé Convention was the formation of the STABEX scheme (Stabilization of Export Earnings), which helps ACP countries withstand fluctuations in export earnings from agricultural products by paying compensation for fluctuations that result in trade deficits with their European trading partners. For example, in 1994, the Côte d'Ivoire received CFAF13,780 million (US$28 million) from the EDF as a part of the STABEX program. The second Lomé Convention added the SYSMIN (Special Financing Facility), a scheme similar to STABEX, to safeguard the export earnings of minerals.

The Fourth Lomé Convention brought forward the agreements and concessions of the previous conventions, but removed the obligation of ACP countries to contribute to the replenishment of STABEX resources. STABEX and SYSMIN assistance is currently offered on a grant basis to countries with SAPs to avoid increasing indebtedness.

In terms of the type of assistance offered through EU development programs, a number of U.S. Department of State cables noted that such assistance is often tied to purchases from the EU. For instance, EU-financed public infrastructure projects, such as road construction, often entails tied aid related to the purchase of equipment sourced from the EU.[104] EU assistance in the telecommunications and power sectors in Botswana also favored EU suppliers.[105] Balance of payments support funds for Tanzania were also used to import goods from ACP countries or the EU, in contrast to the U.S. program that allows imports from the "free world."[106] Other cables have noted that EU assistance pays for expenses for African business delegations to attend trade shows in Africa and Europe, and, more recently, the EU has begun to support development of small and medium enterprises in African countries.

The first Lomé Convention provided for over 99 percent of ACP exports (mainly agricultural products) to enter EU markets duty free. Agricultural products that compete directly with agriculture in EU member countries, such as sugar, were given preferential market quotas, but not free access.[107] Under the Fourth Protocol, the EU granted the ACP countries free access for industrial exports and preferences for agricultural products. In December 1994, the EU and the ACP countries were granted a waiver through the year 2000 by the contracting parties to the GATT for the tariff preferences established under the Fourth Lomé Convention.[108] The waiver was requested due to concerns among GATT contracting parties that the Lomé Convention is discriminatory and contrary

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[103] European Commission, *Financial Cooperation under the Lomé Conventions--Review of Aid at the End of 1993* (Brussels: European Commission, Mar. 1995).

[104] U.S. Department of State cable, message reference No.05351, prepared by U.S. Embassy, Addis, July 1995.

[105] U.S. Department of State cable, message reference No. 03587, prepared by U.S. Embassy, Gaborone, June 1995.

[106] U.S. Department of State cable, message reference No.04209, prepared by U.S. Embassy, Dar es Salaam, June 1995.

[107] A separate protocol annexed to the Lomé Convention protects current ACP sugar quotas and allows for a zero tariff. See U.S. Department of State cable, message reference No.001177 , prepared by U.S. Embassy, Port Louis, June 1995. Separate protocols also cover ACP exports of rum, beef and veal, and bananas to the EU.

[108] U.S. Department of State cable, "Report of the 50th Session (Regular) of the GATT Contracting Parties," message reference No. 010632, prepared by U.S. Embassy, Geneva, Dec. 1994.

to Article II of the MFN. The waiver granted for the Lomé Convention is of concern to some African countries fearing that its expiration could result in a loss of tariff preferences that will adversely affect their export earnings.

GSP Program

The EU General Affairs Council agreed in December 1994 to the revisions to the EU's GSP. The new scheme, which will cover the period January 1, 1995-December 31, 1998, will be based on a system of graduated tariffs based on the sensitivity of the product. The previous system applied zero duties within quantitative limits set by the program.[109] Starting in January, the EU will charge 85 percent of the MFN duty on "super-sensitive products" (essentially textiles and ferro-alloys), 70 percent of the MFN duty on "sensitive products," 35 percent of the MFN duty on semi-sensitive products, and zero percent on "non-sensitive products." Manufactured exports originating in the least-developed countries will continue to enter the EU duty free under this new program.

Japanese Assistance Programs

Japanese assistance to Sub-Saharan Africa is primarily disbursed through multilateral agencies, such as the AFDB and the World Bank. Anecdotal information on Japanese bilateral development assistance programs is reported in the U.S. State Department cables. In Senegal, the U.S. Department of State reports that, in 1994, Japan lodged a Y2.5 billion (US$17.7 million) line of credit in Citibank Dakar to finance imports of 116 products, ranging from vehicles and machinery to chemicals and plastic bags. Under this program, local businessmen could import the listed products regardless of the country of origin.[110] In Tanzania, Japan has operated a sector commodity import support program under which funds are disbursed for importation of goods meeting specific sectoral requirements.[111] Japan, which imports the bulk of Madagascar's frozen seafood exports each year, has a major shrimp-farming research station under construction in Madagascar as part of its assistance program in that country.[112]

Japanese concessional financing recently helped the General Motors Corporation (GMC) to win a contract to sell diesel-electric locomotives and parts to the Ghana National Railways.[113] The financing for this contract will be provided by the Japanese Overseas Economic Cooperation Fund, the Japanese Government's yen loan implementation agency. The GMC teamed with a Japanese company, Mitsui and Co., to obtain the financing package, which includes an 8-year grace period, and repayment over 35 years at 3 percent interest.[114]

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[109] U.S. Department of State cable, "December 19 General Affairs Council," message reference No. 13981, prepared by U.S. Embassy, Brussels, Dec. 1994.
[110] U.S. Department of State cable, message reference No. 007257, prepared by U.S. Embassy, Dakar, June 1995.
[111] U.S. Department of State cable, message reference No. 04209, prepared by U.S. Embassy, Dar es Salaam, June 1995.
[112] U.S. Department of State cable, message reference No. 003614, prepared by U.S. Embassy, Antananarivo, June 1995.
[113] U.S. Department of State cable, "GM Lands Big Contract in Ghana--With Japanese Financing," message reference No. 001980, prepared by U.S. Embassy, Accra, Mar. 1995.
[114] Ibid.

Assistance for South Africa

In addition to U.S. assistance initiatives discussed in chapter 3, both the EU and Japan have increased their assistance programs in South Africa in recent years. In March 1995, the European Commission adopted a proposal that would authorize it to negotiate a framework for relations between the EU and South Africa under the Fourth Lomé Convention as well as a bilateral trade and cooperation agreement that could lead to the establishment of a free-trade area.[115] The European Commission also supported a request from South Africa to continue to receive benefits under the European Program for Reconstruction and Development (EPRD), which is funded by a specific line in the EU's budget. This program, formerly the EU's special program for assisting the victims of apartheid, is now being used to finance development assistance programs that support South Africa's RDP. The European Commission proposed allocating ECU500 million (US$655 million) to South Africa for this program during 1996-1999.[116] The EPRD will finance such programs as follows: education and training, health restructuring, improvement of basic services in rural areas, and development of social and physical infrastructure in urban areas. The EU has approved ECU125 million (US$164 million) for this program in 1995.[117]

Japan's proposed assistance program in South Africa for the period July 1994 through July 1996 includes three elements: technical assistance ($10 million), grant aid ($40 million), and soft loans ($250 million).[118] The technical assistance component will involve training, provision of equipment, and survey missions for economic/technical analysis. Grant aid will target health and education. The soft loans are denominated in yen and carry repayment conditions usually involving interest rates of only a few percentage points and a repayment period of up to 25 years. One type of loan will finance specific sectoral projects, while the other will be available to financial facilities who will loan the funds to business enterprises or farmers.[119]

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[115] U.S. Department of State cable, "Relations Between the EU and South Africa," message reference No. 003730, prepared by U.S. Embassy, Brussels, Mar. 1995.

[116] Ibid.

[117] U.S. Department of State cable, message reference No. 08039, prepared by U.S. Embassy, Pretoria, June 1995.

[118] Ibid.

[119] The U.S. Department of State notes that, while Japanese soft loans are not tied, in fact pressure is exerted on South African firms to source imports from Japanese companies. Due to this pressure, and to the South African Government's reluctance to borrow money internationally, the loans have not been fully used. See ibid.

APPENDIX A

LETTER FROM USTR

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

MAR 30 1995

DOCKET NUMBER 1852 Office of the Secretary Int'l. Trade Commission

The Honorable Peter S. Watson
Chairman
U.S. International Trade Commission
500 E. Street, S.W.
Washington, DC 20436

Dear Chairman Watson:

In Section 134 of the Uruguay Round Agreements Act, the President is directed to develop a comprehensive trade and development policy for the countries of Africa. The President is also to report to the Congress annually over the next five years on the steps taken to carry out that mandate.

The Statement of Administrative Action that was approved by the Congress with the Uruguay Round Agreements Act broadly outlines the Administration's plans for this work and assistance needed from the U.S. International Trade Commission in fulfilling this assignment.

To assist the President in implementing Section 134 of the Act, under authority delegated by the President, I request, pursuant to Section 332(g) of the Tariff Act of 1930, as amended, that the Commission provide the President a report containing the following:

1. A profile of the structure of U.S.-Africa trade flows over the 1990-94 period in the following major sectors: agriculture, forest products, textiles and apparel, energy, chemicals, minerals and metals, machinery and equipment, electronics technology, miscellaneous manufactures and services;

2. A summary of U.S. Government trade and development programs (e.g., investments, trade finance, trade facilitation, trade promotion, foreign development assistance, etc.) in Africa, including dollar amounts on an annual basis, during the 1990-94 period;

3. A summary of the literature and private sector views relevant to assessing the impact of the Uruguay Round Agreements on developing countries and Africa in particular; and

4. An assessment of any effects of the Uruguay Round Agreements, and of U.S. trade and development policy for Africa, on U.S.-Africa trade flows.

The Commission's investigation and report should be confined to countries in Sub-Saharan Africa. For purposes of your investigation, a list of such countries is attached. Trade and other relevant data should be provided for individual countries to the extent practicable and for aggregate groups of countries to highlight major U.S.-Africa trade flows. Additionally, detailed trade data and impact assessments should be provided for Ghana, Uganda, and the member countries of the Southern African Development Community (indicated by asterisks on the attached list.)

The Commission is requested to provide this report not later than November 15, 1995, and to provide an update of the report annually thereafter for a period of 4 years.

As part of its trade and development policy for Africa, the Administration will be examining all measures that will foster economic development in Africa through increased trade and sustained economic reforms. To the extent practicable, the Commission's first report should also include any information readily available on the role of regional integration in Africa's trade and development and on Africa's progress in implementing economic reforms. The future annual reports should address these subjects in more detail as well as additional subjects to be determined in consultation with my staff.

In accordance with USTR policy, I direct you to mark as "confidential" such portions of the Commission's report and its working papers as my office will identify in a classification guide. Information Security Oversight Office Directive No. 1, section 2001.21 (implementing Executive Order 12356, sections 2.1 and 2.2) requires that classification guides identify or categorize the elements of information which require protection.

The Honorable Paeter S. Watson
Page three

Accordingly, I request that you provide my office with an outline of the report as soon as possible. Based on this outline and my office's knowledge of the information to be covered in the report, a USTR official with original classification authority will provide detailed instructions.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,

Michael Kantor

Attachment

Sub-Saharan Africa

*Angola	Ghana	Rwanda
Benin	Guinea	Sao Tome and Principe
*Botswana	Guinea-Bissau	Senegal
Burkina	Ivory Coast	Seychelles
Burundi	Kenya	Sierra Leone
Cameroon	*Lesotho	Somalia
Cape Verde	Liberia	*South Africa
Central African Republic	Madagascar	Sudan
Chad	*Malawi	*Swaziland
Comoros	Mali	Togo
Congo	Mauritania	*Tanzania
Djibouti	Mauritius	Uganda
Equatorial Guinea	*Mozambique	Zaire
Eritrea	*Namibia	*Zambia
Ethiopia	Niger	*Zimbabwe
Gabon	Nigeria	
Gambia		

Countries indicated by an asterisk (*) are members of the Southern African Development Community (SADC).

OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

April 7, 1995

MEMORANDUM FOR DANIEL LEAHY
U.S. International Trade Commission

FROM: J. David Morrissey
Deputy Special Counsel for Finance
and Investment Policy

SUBJECT: Section 332 Request on Sub-Saharan Africa

This is to follow up on our telephone conversation today about inclusion of countries for special treatment in the Section 332 investigation that Ambassador Kantor requested of the U.S. International Trade Commission. We would appreciate it if the countries of Gabon and the Ivory Coast were accorded the same treatment that you were asked to give to Ghana and Uganda and the members of the Southern African Development Community.

The two additional countries are already included in the list of Sub-Saharan countries for which trade and relevant data are to be provided. We are asking that, in addition, detailed trade data and impact assessments be provided for Gabon and the Ivory Coast.

APPENDIX B

NOTICE OF HEARING

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, DC

(Investigation 332-362)

U.S.-AFRICA TRADE FLOWS AND EFFECTS OF THE URUGUAY ROUND AGREEMENTS AND U.S. TRADE AND DEVELOPMENT POLICY

AGENCY: United States International Trade Commission

ACTION: Rescheduling of public hearing

EFFECTIVE DATE: June 20, 1995

SUMMARY: The public hearing on this matter, scheduled for July 25, 1995, has been rescheduled to July 26, 1995. The public hearing will be held at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC, beginning at 9:30 a.m. on July 26, 1995. All persons will have the right to appear, by counsel or in person, to present information and to be heard. Requests to appear at the public hearing should be filed with the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436, no later than 5:15 p.m., July 13, 1995. The dates for filing documents have not changed: Any prehearing briefs (original and 14 copies) should be filed not later than 5:15 p.m., July 13, 1995, and the deadline for filing post-hearing briefs or statements is 5:15 p.m., August 1, 1995. Notice of institution of the investigation and the earlier scheduled hearing date was published in the Federal Register of May 10, 1995 (60 FR 24884).

In the event that, as of the close of business on July 13, 1995, no witnesses are scheduled to appear at the hearing, the hearing will be cancelled. Any person interested in attending the hearing as an observer or non-participant may call the Secretary of the Commission (202-205-2000) after July 13, 1995, to determine whether the hearing will be held.

FOR FURTHER INFORMATION CONTACT: Cathy Jabara, Office of Industries (202-205-3309) or Jean Harman, Office of Industries (202-205-3313), or William Gearhart, Office of the General Counsel (202-205-3091) for information on legal aspects. The media should contact Margaret O'Laughlin, Office of Public Affairs (202-205-1819). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the TDD terminal on (202-205-1810).

WRITTEN SUBMISSIONS: As provided for in the Commission's prior notice, in lieu of or in addition to participating in the hearing, interested parties are invited to submit written statements concerning the matters to be addressed by the Commission in its report on this investigation. Commercial or financial information that a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of section § 201.6 of the Commission's Rules of Practice and Procedure (19 C.F.R. 201.6). All written submissions, except for confidential business information, will be made available in the Office of the Secretary of the Commission for inspection by interested parties. To be assured of consideration by the Commission, written statements relating to the Commission's report should be submitted to the Commission at the earliest practical date and should be received no later than the close of business on August 1, 1995. All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436.

Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

By order of the Commission.

Donna R. Koehnke

Donna R. Koehnke

Secretary

Issued: June 21, 1995

APPENDIX C

LIST OF WITNESSES APPEARING AT THE HEARING

LIST OF WITNESSES APPEARING AT THE HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject	:	U.S.-AFRICA TRADE FLOWS AND EFFECTS OF THE URUGUAY ROUND AGREEMENTS AND U.S. TRADE AND DEVELOPMENT POLICY
Inv. No.	:	332-362
Date and Time	:	July 26, 1995 - 9:30 a.m.

<u>ORGANIZATION AND WITNESS</u>

United States Department of State, Washington, DC

Regina C. Brown, Deputy Assistant Secretary, Bureau of African Affairs

Panel 1

Embassy of the Republic of Madagascar, Washington, DC

Pierrot J. Rajaonarivelo, Ambassador

Embassy of the Republic of Mauritius, Washington, DC
H.E. Anund P. Neewoor, Ambassador
Israhyananda Dhalladoo, Chief of Mission
Peter Craig, Trade Counselor

Embassy of Ghana, Washington, DC
Daniel Hagan, Commercial Counsellor

Panel 2

Holland & Knight
Washington, D.C.
<u>on behalf of</u>

African Business Round Table (ABR)

Esom Alintah, Secretary General of the ABR
J. Smit, Member of the ABR
George A. Dalley--OF COUNSEL

Panel 2 - Continued

Stewart and Stewart
Washington, D.C.
on behalf of

U.S.-Africa Chamber of Commerce

Terence P. Stewart--OF COUNSEL

Corporate Council on Africa (CCA), Washington, DC

David H. Miller, Executive Director,
Corporate Council of Africa

Panel 3

Pierson Semmes and Bemis
Washington, D.C.
on behalf of

Mauritius Sugar Syndicate
Mauritius-U.S. Business Association

Paul Ryberg, Jr.--OF COUNSEL

Tamen & Tamen
Washington, D.C.
on behalf of

Air Separation Cameroon S.A. (ASEPCAM)

Victor Anjeh, CEO, ASEPCAM
Emmanuel Tamen--OF COUNSEL

International Management & Development Group,
Ltd. (IM&D), Alexandria, VA

Gary A. Walker, Vice President for
International Programs, IM&D

Panel 4

M.R. Beal & Company, Chicago, IL

Donna Sims Wilson, President, M.R. Beal
et Compagnie, Internationale, a subsidiary
of M.R. Beal & Company

International Business Group-USA, Inc.
(IBG-USA), Washington, DC

Bernard-Amedee Oulai, Managing Director,
IBG-USA

Electronic Data Systems Corporation (EDS), Washington, DC

Don Lockhart, Director, EDS Emerging Market, Africa
Rich Galen, Vice President, EDS Emerging

Panel 5

Manchester Trade, Ltd., Washington, DC

Stephen Lande, President
Constituency for Africa (CFA), Washington, DC
Melvin P. Foote, Executive Director, CFA
Robert E. Browne, Chairman of the Economic
Working Group, CFA

The Whitfield Foundation, Washington, DC

Mal Whitfield, CEO & Founder, The Whitfield Foundation
Ann Whitehurst, Executive Director, The Whitfield Foundation

APPENDIX D

TRADE TABLES AND COUNTRY INFORMATION

Country Indicators

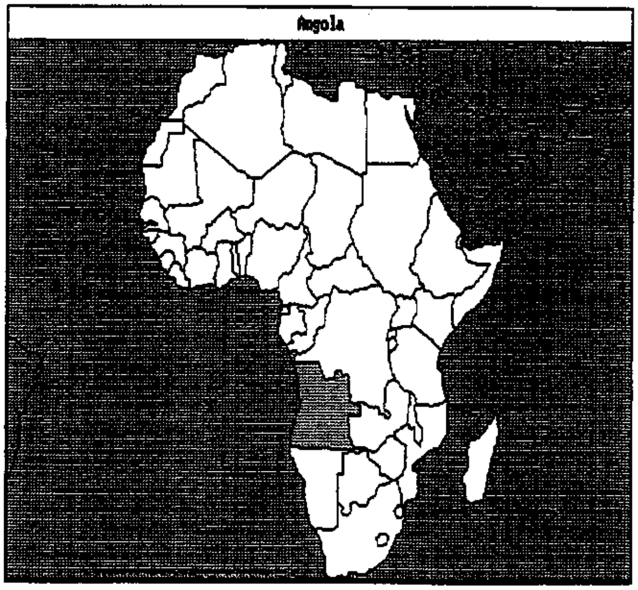
Country	Population mid-1992 (*Millions*)	Area (*Thousands of square km.*)	GNP per capita		Life expectancy at birth (years)1992
			Dollars 1992	Average annual percentage growth 1985-92	
Angola	9.7	1,247	..	-0.9	46
Benin	5.0	111	410	-1.5	51
Bostwana	1.4	567	2,450	6.6	68
Burkina Faso	9.5	274	310	0.3	48
Burundi	5.8	26	210	1.0	48
Cameroon	12.2	465	830	-6.9	56
Cape Verde	0.4	4	840	2.3	68
Central African Rep	3.2	623	410	-2.6	47
Chad	6.0	1,259	220	1.3	47
Comoros	0.5	2	530	-2.2	56
Congo	2.4	342	1,110	-1.8	51
Côte d'Ivoire	12.9	318	680	-5.2	56
Djibouti	0.5	23	..	-7.3	49
Equatorial Guinea	0.4	28	340	0.6	48
Ethiopia	54.8	1,101	110	-2.0	49
Gabon	1.2	258	4,220	-1.6	54
Gambia, The	1.0	10	370	1.0	45
Ghana	15.8	228	460	1.2	56
Guinea	6.1	246	490	1.3	44
Guinea-Bissau	1.0	28	220	1.7	39
Kenya	24.7	570	330	0.9	59
Lesotho	1.9	30	610	0.9	60
Liberia	2.4	97	..	..	53
Madagascar	12.4	582	230	-1.7	51
Malawi	9.1	94	230	0.7	44
Mali	9.0	1,220	310	-4.5	48
Mauritania	2.1	1,025	540	-0.1	48
Mauritius	1.1	2	2,800	6.1	70
Mozambique	16.5	784	70	1.3	44
Namibia	1.5	823	1,670	2.5	59
Niger	8.2	1,267	290	-1.8	46
Nigeria	101.9	911	330	3.4	52
Rwanda	7.3	25	250	-2.8	46
São Tomé and	0.1	1	370	-1.7	68
Senegal	7.8	193	780	0.1	49
Seychelles	0.1	0	5,750	4.1	71
Sierra Leone	4.4	72	160	-0.2	43
Somalia	8.3	627	..	-2.3	49
South Africa	39.8	1,221	2,828	-1.3	63
Sudan	26.5	2,376	300	-0.2	52
Swaziland	0.9	17	1,080	5.1	57
Tanzania	25.9	886	110	1.9	51
Togo	3.9	54	400	-1.9	55
Uganda	17.5	200	170	2.0	43
Zaire	39.8	2,268	..	-0.8	52
Zambia	8.3	743	370	2.2	48
Zimbabwe	10.4	387	580	-0.7	60

Source: The World Bank, *African Development Indicators 1994-1995* (Washington, D.C.:The World Bank, 1995).
.. Indicates information not available

Angola

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$64,552,401	$98,776,696	$62,258,797	$88,573,264	$83,850,541
Agricultural products	15,339,483	16,486,499	10,244,942	8,365,250	37,088,257
Machinery	33,482,227	20,608,486	20,732,944	18,092,708	16,487,177
Electronics products	10,668,460	14,002,559	19,128,245	20,079,153	16,416,798
Minerals & metals	3,063,180	13,210,352	7,569,747	9,537,452	12,834,541
Miscellaneous manufactures	344,867	923,816	1,594,015	3,287,243	12,152,811
Chemicals & related Products	10,549,736	12,431,824	8,222,332	9,788,072	7,333,274
Special provisions	3,849,662	5,843,285	7,247,315	5,386,795	4,784,228
Textiles & apparel	1,684,463	2,569,793	14,603,105	1,537,056	3,563,145
Forest products	293,232	412,945	1,352,411	1,386,310	1,035,952
Energy related products	1,406,148	1,514,684	2,074,452	1,327,212	1,005,416
Footwear	66,548	55,677	281,799	188,403	162,013
Total	**145,300,407**	**186,836,616**	**155,310,104**	**167,548,918**	**196,714,153**
US Imports Under GSP					
Electronics products	-	-	-	-	5,003
Transportation equipment		-	-	1,163,000	-
Total	-	-	-	**1,163,000**	**5,003**
US Imports					
Energy-related products	1,931,475,538	1,774,176,657	2,264,378,806	2,092,571,806	2,067,144,249
Minerals & metals	15,400,722	6,828,641	5,429,243	3,490,649	6,501,707
Special provisions	2,164,641	2,799,520	5,088,944	3,730,721	5,124,629
Miscellaneous manufactures	47,723	-	1,450	-	463,170
Transportation equipment	56,355	1,014,900	350,000	1,163,000	9,030
Electronics products	-	19,199	6,434	-	5,003
Chemicals & related products	-	-	-	7,804	-
Textiles & apparel	-	-	-	1,198	-
Machinery	-	3,038	-	-	-
Forest products	35,406	-	3,000	-	-
Agricultural products	1,991	-	2,000	-	-
Total	1,949,182,376	1,784,841,955	2,275,259,877	2,100,965,178	2,079,247,788

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



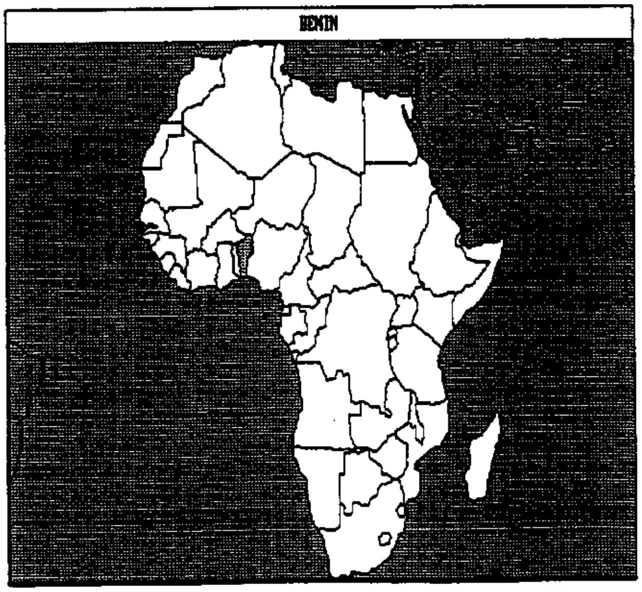
ANGOLA

Natural Resources	Agricultural Products	Major Industries
Petroleum	Cassava	Petroleum Products
Diamonds	Maize	Mining
Iron Ore	Plantains	Foodstuffs
Phosphates	Sweet Potatoes	Beer
Copper	Milk	Tires
Feldspar	Millet	Textiles
Gold	Citrus Fruit	Construction
Bauxite	Beans	Diamonds
Uranium	Potatoes	Bricks
Fish	Sugarcane	Meat Products
	Bananas	Bread
	Peanuts	Flour
	Beef	Sugar
	Palm Products	Soap
	Sisal	Molasses
	Coffee	Steel
	Cattle	Leather Footwear

Benin

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$10,916,621	$9,135,459	$12,647,346	$5,897,488	$14,497,176
Textiles & apparel	9,809,841	11,738,122	9,681,778	10,843,976	5,155,617
Machinery	491,673	216,153	1,427,610	838,486	2,128,032
Transportation equipment	868,706	2,603,504	1,137,017	991,770	1,831,305
Chemicals & related products	199,956	800,404	333,428	504,734	653,068
Special provisions	598,585	342,549	478,393	670,164	608,962
Electronics products	228,355	335,538	565,796	573,504	396,050
Footwear	340,243	200,476	309,758	594,132	376,288
Minerals & metals	31,363	46,495	-	93,650	131,410
Forest products	42,514	129,446	127,338	115,724	63,031
Energy related products	-	-	51,771	398,954	9,099
Miscellaneous manufactures	49,300	4,866	6,500	111,651	4,400
Total	23,577,157	25,553,012	26,766,735	21,634,233	25,854,438
US Imports Under GSP					
Forest products	-	-	-	-	47,204
Miscellaneous manufactures	-	-	-	-	3,750
Chemicals & related products	-	-	-	-	1,300
Electronics products	13,900	-	-	-	-
Total	13,900	-	-	-	52,254
US Imports					
Energy-related products	17,027,037	21,980,797	9,025,416	14,327,889	7,708,178
Textiles & apparel	-	112,872	702,634	1,106,427	1,569,281
Agricultural products	180,838	149,192	344,628	247,858	625,024
Forest products	1,870	3,041	1,800	-	54,427
Miscellaneous manufactures	-	17,760	35,000	21,749	15,931
Special provisions	12,430	55,215	185,856	35,018	2,418
Chemicals & related products	-	-	-	-	1,300
Minerals & metals	4,284,254	119,466	-	-	-
Transportation equipment	-	-	-	-	
Electronics products	13,900	-	-	1,181	-
Total	21,520,329	22,438,343	10,295,334	15,740,122	9,976,559

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



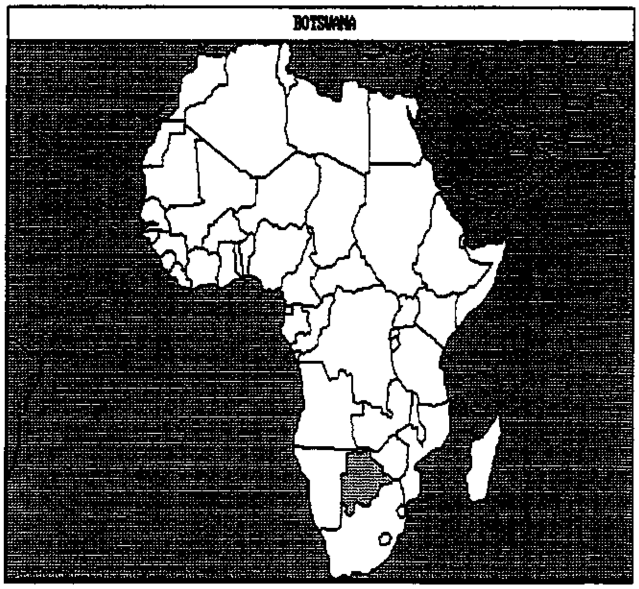
BENIN

Natural Resources	Agricultural Products	Major Industries
Petroleum	Palm Products	Foodstuffs
Limestone	Cotton	Textiles
Marble	Groundnuts	Beverages
Timber	Cassava	Cement
Salt	Yams	Petroleum Products
Fish	Maize	Meat Products
	Beans	Sugar
	Sorghum	Edible Oils
	Millet	
	Tomatoes	
	Sweet Potatoes	
	Coconuts	
	Bananas	
	Oranges	
	Mangoes	
	Paddy Rice	
	Coffee	

Botswana

	1990	1991	1992	1993	1994
US Exports					
Minerals & metals	$5,586,876	$2,886,518	$3,252,598	$5,467,755	$9,464,695
Textiles & apparel	111,932	1,255,551	104,517	278	2,106,141
Agricultural products	7,935,962	7,784,494	8,040,160	2,055,978	1,195,953
Special provisions	349,682	819,019	602,959	595,141	773,429
Miscellaneous manufactures	91,365	135,932	90,755	367,866	75,290
Machinery	-	-	-	-	35,947
Forest products	81,337	35,737	34,309	38,042	3,618
Chemicals & related products	-	-	28,883	-	-
Footwear	-	-	-	2,378	-
Transportation equipment	-	187,375	2,520	-	-
Total	14,157,154	13,104,626	12,156,701	8,527,438	13,655,073
US Imports Under GSP					
Agricultural products	740,270	505,257	272,425	700,695	400,838
Miscellaneous manufactures	75,993	84,996	1,392	48,607	45,939
Machinery	-	-	-	-	26,986
Forest products	6,678	-	30,617	34,394	3,618
Minerals & metals	-	-	-	-	2,427
Textiles & apparel	11,069	123,648	92,302	-	-
Total	834,010	713,901	396,736	783,696	479,808
US Imports					
Special provisions	7,690,330	9,680,477	9,393,747	10,820,134	11,965,222
Electronics products	3,127,019	12,117,433	3,125,879	9,016,183	4,668,308
Transportation equipment	6,168,027	6,766,861	29,551,197	2,626,766	2,270,403
Agricultural products	371,831	17,818	2,473,743	643,282	916,426
Miscellaneous manufactures	18,322	191,394	25,624	44,290	747,256
Chemicals & related products	246,897	264,736	562,683	91,054	613,547
Machinery	1,071,031	1,270,708	663,299	671,684	538,602
Forest products	218,537	114,239	131,226	394,123	289,448
Minerals & metals	211,804	114,745	458,838	138,533	157,986
Textiles & apparel	9,156	65,855	12,799	122,698	65,159
Energy related products	-	31,430	-	-	9,163
Total	19,132,954	30,635,696	46,399,035	24,568,747	22,241,520

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



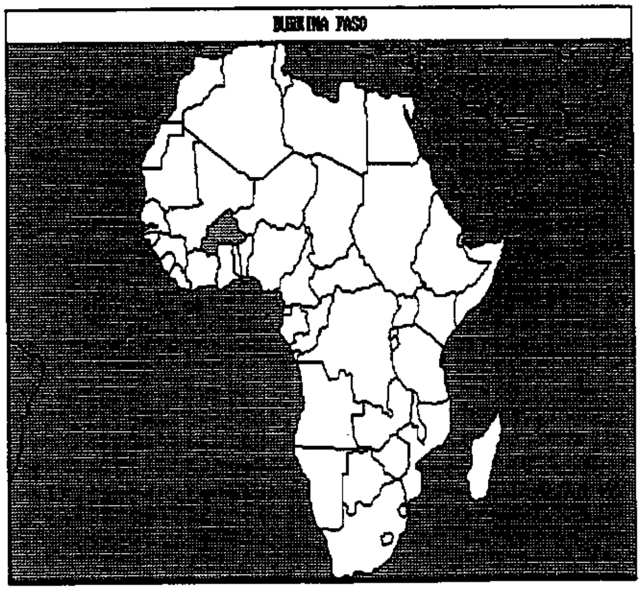
BOTSWANA

Natural Resources	Agricultural Products	Major Industries
Diamonds	Corn	Meat Products
Copper	Sorghum	Mining
Nickel	Millet	Tourism
Coal	Vegetables	Beer
Salt	Melons	
Soda Ash	Pulses	
Potash	Fruits	
Iron Ore	Roots & Tubers	
Silver	Cottonseed	
Natural Gas	Cowpeas	
Fish	Peanuts	
	Cattle	
	Goats	
	Sheep	
	Mules	
	Asses	
	Horses	

Burkina Faso

US Exports	1990	1991	1992	1993	1994
Agricultural products	$3,479,476	$17,315,324	$6,395,238	$9,198,334	$2,413,290
Transportation equipment	1,847,796	410,699	205,121	4,081,736	361,388
Textiles & apparel	730,295	3,694,284	3,728,576	2,872,192	2,738,036
Electronics products	7,100,341	486,012	1,718,004	630,711	1,128,748
Special provisions	1,049,511	605,581	351,352	761,464	372,024
Miscellaneous manufactures	8,000	-	56,302	-	54,940
Machinery	286,264	446,958	318,961	-	82,688
Forest products	-	-	3,750	17,381	44,992
Chemicals & related products	199,706	502,921	329,301	54,268	21,916
Minerals & metals	40,079	21,211	8,554	33,140	16,266
Total	**14,741,468**	**23,482,990**	**13,115,159**	**17,649,226**	**7,234,288**
US Imports Under GSP					
Textiles & apparel	6,904	6,567	3,249	6,835	6,045
Machinery	21,656	-	-	-	-
Miscellaneous manufactures	-	2,064	14,711	10,691	19,909
Forest products	8,236	9,338	22,190	62,594	18,827
Minerals & metals	13,878	2,983	1,632	-	27,735
Total	**50,674**	**20,952**	**41,782**	**80,120**	**72,516**
US Imports					
Special provisions	976,656	336,664	2,678	5,979	143,817
Textiles & apparel	93,210	10,977	113,380	24,221	15,893
Miscellaneous manufactures	53,026	15,513	27,072	25,874	70,979
Minerals & metals	51,073	10,707	5,107	16,089	27,735
Forest products	8,236	9,338	22,190	62,594	$20,107
Transportation equipment	-	98,262	-	-	-
Electronics products	-	2,225	-	2,500	2,314
Agricultural products	550,127	14,375	44,379	211,492	-
Machinery	21,656	-	-	-	-
Chemicals & related products	-	-	-	124,307	-
Footwear	-	-	20,250	-	163,944
Total	**1,753,984**	**498,061**	**235,056**	**473,056**	**444,789**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



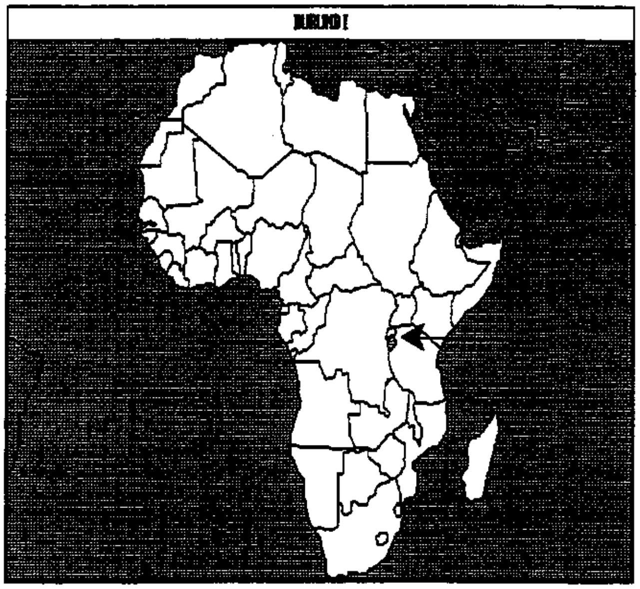
BURKINA FASO

Natural Resources	Agricultural Products	Major Industries
Manganese	Millet	Foodstuffs
Limestone	Sorghum	Beer
Marble	Sugarcane	Bottling
Gold	Corn	Bricks
Antimony	Cotton	Light Industry
Copper	Pulses	Flour
Nickel	Peanuts	Soap
Bauxite	Rice	Cotton
Lead	Sweet Potatoes	Tires
Phosphates	Sesame	Motorcycles
Silver	Shea Nuts	Soft Drinks
Zinc	Cassava	Footwear
Fish	Goats	Beer
	Sheep	
	Cattle	
	Chickens	
	Roundwood	

Burundi

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	-	$7,946	-	$139,141	$15,376,069
Chemicals & related products	$335,271	187,527	$100,940	96,275	225,396
Electronics products	124,119	181,637	172,009	1,361,736	743,694
Footwear	30,000	-	-	-	-
Forest products	-	24,415	867,748	47,236	-
Machinery	92,048	182,618	43,335	53,534	233,688
Minerals & metals	16,965	-	66,600	4,429	37,976
Miscellaneous manufactures	4,308	30,000	-	-	11,338
Special provisions	125,372	1,077,061	7,448,468	140,864	359,463
Textiles & apparel	92,404	136,279	404,139	405,172	644,849
Transportation equipment	18533	-	460998	54441	85362
Total	**839,020**	**1,827,483**	**9,564,237**	**2,302,828**	**17,717,835**
US Imports Under GSP					
Textiles & apparel	-	-	-	-	758
Forest products	-	-	7,486	3,000	6,020
Total	-	-	**7,486**	**3,000**	**6,778**
US Imports					
Textiles & apparel	206,984	2,891	-	1,875	3,201
Special provisions	23,942	27,901	32,279	380,607	46,365
Forest products	-	5,000	7,486	3,420	21,020
Miscellaneous manufactures	-	1,300	-	-	5,448
Footwear	-	41,175	-	-	-
Agricultural products	7,750,376	8,036,511	6,495,114	1,267,109	1,944,445
Transportation equipment	7,980	-	-	-	-
Minerals & metals	266,039	43,775	1,895,901	1,079,901	4,215,834
Total	**8,255,321**	**8,158,553**	**8,430,780**	**2,732,912**	**6,236,313**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



BURUNDI

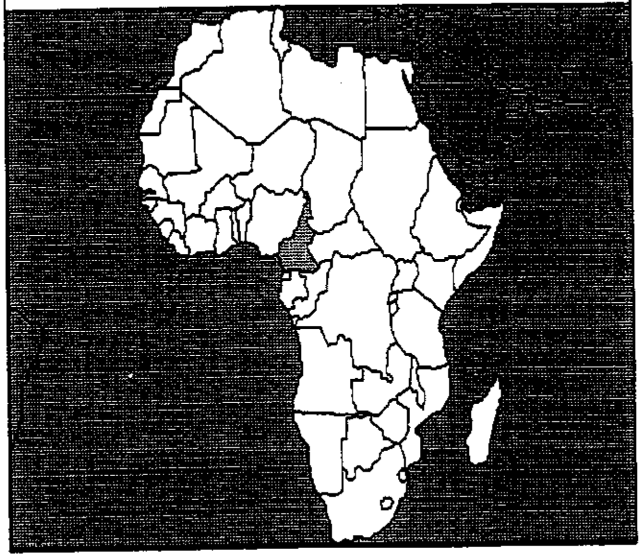
Natural Resources	Agricultural Products	Major Industries
Nickel	Bananas	Consumer Goods
Uranium	Sweet Potatoes	Construction
Peat	Cassava	Beverages
Cobalt	Pulses	Foodstuffs
Copper	Sorghum	Beer
Platinum	Corn	Cigarettes
Kaolin	Yams	Blankets
Lime	Taros	Footwear
Gold	Peanuts	
Fish	Millet	
	Coffee	
	Tea	
	Rice	
	Wheat	
	Sugarcane	
	Palm Products	
	Cotton	

Cameroon

US Exports	1990	1991	1992	1993	1994
Transportation equipment	$11,603,182	$8,443,997	$11,377,832	$7,740,692	$21,580,663
Agricultural products	17,433,053	13,449,804	22,086,858	21,410,439	11,138,316
Machinery	2,592,319	3,630,512	6,306,978	2,225,938	5,798,404
Chemicals & related products	2,955,184	5,819,575	4,435,576	5,034,257	4,108,378
Energy related products	2,532,745	4,763,421	3,975,779	4,047,140	2,789,714
Forest products	3,028,960	3,664,246	3,410,549	2,559,778	2,257,249
Electronics products	1,459,861	1,179,562	1,992,236	1,391,866	1,526,978
Special provisions	1,426,479	1,083,772	1,593,041	1,704,872	1,462,877
Textiles & apparel	640,390	607,079	562,924	664,029	1,266,457
Minerals & metals	1,656,438	950,218	704,487	896,922	834,866
Miscellaneous manufactures	452,332	1,869,943	208,650	217,202	604,422
Footwear	-	-	211,219	322,981	94,506
Total	**45,780,943**	**45,462,129**	**56,866,129**	**48,216,116**	**53,462,830**
US Imports Under GSP					
Energy-related products	135,233,786	113,599,082	72,843,666	89,402,769	39,432,315
Agricultural products	15,167,557	7,264,862	4,992,457	4,068,163	4,741,352
Chemicals & related products	2,028,747	1,878,023	2,005,187	4,136,302	4,543,022
Forest products	1,269,075	526,692	1,045,341	1,878,042	2,293,206
Electronics products	55,791	102,471	138,999	102,384	1,585,587
Miscellaneous manufactures	864,471	510,583	151,939	248,751	1,350,718
Textiles & apparel	195,035	39,477	117,368	277,337	973,742
Special provisions	2,249,027	850,480	792,435	335,960	645,753
Minerals & metals	717,737	670,088	129,050	121,752	332,585
Footwear	57,888	17,820	126,078	142,110	259,377
Machinery	-	209,078	3,440	163,644	113,421
Transportation equipment	3,000	7,000	-	341,868	34,539
Total	**157,842,114**	**125,675,656**	**82,345,960**	**101,219,082**	**56,305,617**
US Imports					
Agricultural products	2,031,806	2,966,936	1,104,623	3,038,760	1,281,017
Forest products	9,024	20,385	113,957	78,575	64,986
Minerals & metals	620,343	564,096	12,435	21,810	33,264
Miscellaneous manufactures	13,212	4,019	-	17,802	20,660
Textiles & apparel	475	-	-	7,752	-
Total	**2,674,860**	**3,555,436**	**1,231,015**	**3,164,699**	**1,399,927**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

CAMEROON



CAMEROON

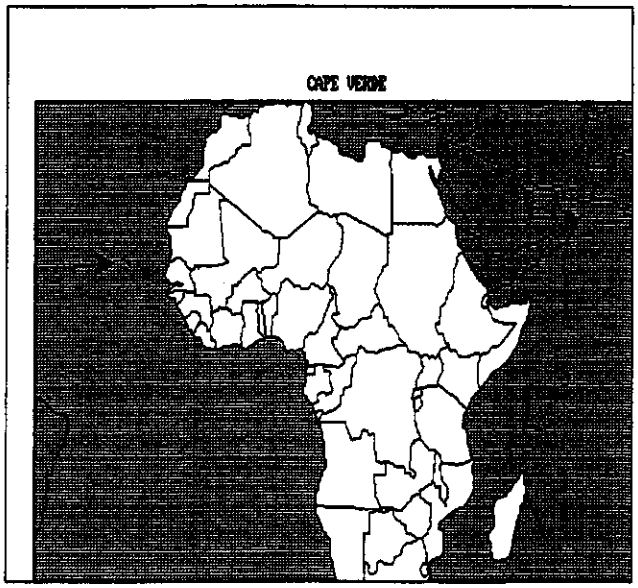
Natural Resources	Agricultural Products	Major Industries
Petroleum	Sugarcane	Cement
Natural Gas	Plantains	Palm Products
Bauxite	Vegetables	Soap
Iron Ore	Melons	Textiles
Timber	Cassava	Footwear
Marble	Millet	Lumber
Pozzolana	Yams	Shrimp
Aluminum	Corn	Beer
Limestone	Maize	Soft Drinks
Tin	Potatoes	Tobacco
Fish	Sweet Potatoes	Foodstuffs
	Coffee	
	Cotton	
	Peanuts	
	Rice	
	Cocoa	
	Dry Beans	

Cape Verde

US Exports	1990	1991	1992	1993	1994
Agricultural products	$4,038,132	$3,108,566	$1,905,838	$2,068,135	$2,200,638
Special provisions	716,367	381,727	693,110	702,770	729,243
Electronics products	381,062	315,463	275,765	1,035,796	712,322
Machinery	19,282	7,788	8,000	46,558	101,246
Forest products	3,727	-	24,736	-	24,206
Transportation equipment	345,719	80,249	55,809	131,707	80,720
Minerals & metals	3,150	-	21,075	6,449	21,932
Energy related products	-	10,227	9,101	-	15,000
Miscellaneous manufactures	21,010	24,724	18,100	-	3,950
Textiles & apparel	-	-	12,886	-	-
Chemicals & related products	51,053	12,128	12,335	2,802	-
Total	**5,579,502**	**3,940,872**	**3,036,755**	**3,994,217**	**3,889,257**
US Imports Under GSP					
Machinery	6,075	-	-	-	-
Agricultural products	-	-	-	18,987	-
Total	**6,075**	-	-	**18,987**	-
US Imports					
Electronics products	-	-	-	-	116,176
Miscellaneous manufactures	27,357	2,100	-	-	4,278
Machinery	6,075	-	-	-	2,945
Footwear	50,000	-	-	-	-
Chemicals & related products	-	-	-	1,323	-
Minerals & metals	-	2,900	-	8,261	-
Special provisions	-	-	-	2,246	-
Textiles & apparel	39,778	-	54,600	-	-
Forest products	38,814	-	-	1,662	-
Transportation equipment	1,905	-	-	-	-
Agricultural products	3,000	-	-	18,987	-
Total	**166,929.00**	**5,000.00**	**54,600.00**	**32,479.00**	**123,399.00**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

Cape Verde is located approximately 600 miles off the coast of Senegal, comprised of 10 islands.



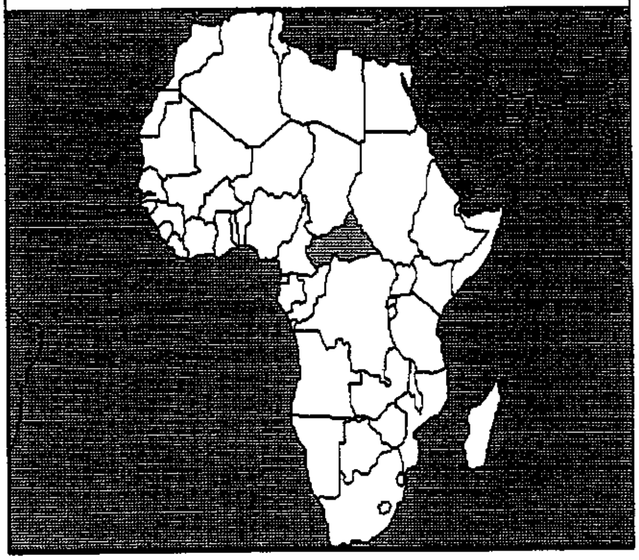
CAPE VERDE

Natural Resources	Agricultural Products	Major Industries
Salt	Sugarcane	Cigars
Basalt Rock	Pulses	Flour
Pozzolana	Coconuts	Cacao Powder
Limestone	Fruits	Fish Products
Kaolinite	Melons	Bread
Fish	Corn	Alcoholic Beverages
	Sweet Potatoes	Soft Drinks
	Vegetables	Metal Products
	Bananas	Furniture
	Cassava	Footwear
	Potatoes	Clothing
	Beans	Shipbuilding
	Coffee	Construction
	Dates	Salt
	Goats	
	Pork	
	Cattle	

Central African Republic

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$495,942	$307,986	$285,150	$639,470	$29,019
Machinery	234,785	499,228	210,590	1,078,359	746,213
Transportation equipment	49,318	55,299	49,498	2,195,901	626,651
Electronics products	118,360	186,543	152,601	196,548	462,398
Special provisions	81,276	119,926	91,018	387,814	291,933
Textiles & apparel	-	3,250	25,911	116,304	182,414
Chemicals & related products	59,199	19,335	78,645	10,400	169,091
Minerals & metals	7,806	15,180	100,556	207,299	24,404
Forest products	13,470	2,618	-	37,501	2,520
Miscellaneous manufactures	30,020	4,000	-	-	-
Total	**1,090,176**	**1,213,365**	**993,969**	**4,869,596**	**2,534,643**
US Imports Under GSP					
Forest products	-	-	-	-	1,565
Agricultural products	-	39,533	470,325	151,705	-
Total	**-**	**39,533**	**470,325**	**151,705**	**1,565**
US Imports					
Miscellaneous manufactures	-	-	42,460	3,000	210,000
Forest products	4,528	-	-	-	19,821
Textiles & apparel	1,885	800	-	3,380	17,582
Agricultural products	250,660	311,512	515,318	193,245	1,100
Special provisions	4,717	5,101	99,964	4,592	649
Minerals & metals	1,089,038	115,332	-	54,180	-
Total	**1,350,828**	**432,745**	**657,742**	**258,397**	**249,152**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



CENTRAL AFRICAN REPUBLIC

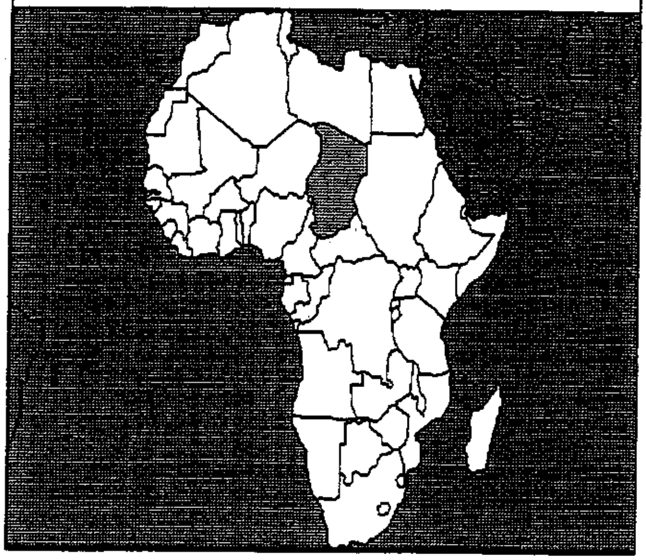
Natural Resources	Agricultural Products	Major Industries
Diamonds	Cassava	Beauty Products
Uranium	Yams	Ice Cream
Timber	Peanuts	Paints
Gold	Bananas	Leather Goods
Petroleum	Plantains	Aluminum Products
Fish	Corn	Coffee
	Taros	Textiles
	Millet	Footwear
	Cotton	Cigarettes & Cigars
	Coffee	Vehicles
	Rice	Beer
	Pulses	Soft Drinks
	Tobacco	Soap
	Cattle	
	Goats	
	Pork	
	Sheep	

Chad

US Exports	1990	1991	1992	1993	1994
Transportation equipment	$2,703,917	$3,104,859	$684,081	$3,101,623	$2,067,139
Special provisions	1,259,354	585,105	184,384	304,874	1,908,814
Machinery	1,103,250	631,923	2,794,742	2,062,071	1,560,284
Agricultural products	1,050,139	5,361,795	391,883	1,148,510	929,807
Electronics products	1,415,976	3,684,779	561,547	239,977	574,984
Minerals & metals	38,630	7,003	302,284	487,743	175,592
Chemicals & related products	153,945	45,938	106,915	179,840	57,648
Forest products	7,776	174,846	120,047	137,443	43,371
Textiles & apparel	153,748	-	87,500	32,670	33,391
Miscellaneous manufactures	7,239	6,401	-	17,200	85,248
Total	**7,893,974**	**13,602,649**	**5,233,383**	**7,711,951**	**7,436,278**
US Imports Under GSP					
Chemicals & related products	478,016	-	-	-	-
Agricultural products	-	3,671	284,831	220,883	1,490,465
Special provisions	302,962	199,927	770	59,164	272,980
Miscellaneous manufactures	-	-	-	-	38,138
Minerals & metals	-	-	-	2,000	2,100
Energy-related products	-	-	-	-	1,440
Textiles & apparel	-	480	29,775	-	653
Footwear	-	37,251	-	-	-
Forest products	-	-	-	-	-
Chemicals & related products	767,028	-	-	-	-
Electronics products	-	-	-	6,750	-
Total	**1,069,990**	**241,329**	**315,376**	**288,797**	**1,805,776**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

CHAD



CHAD

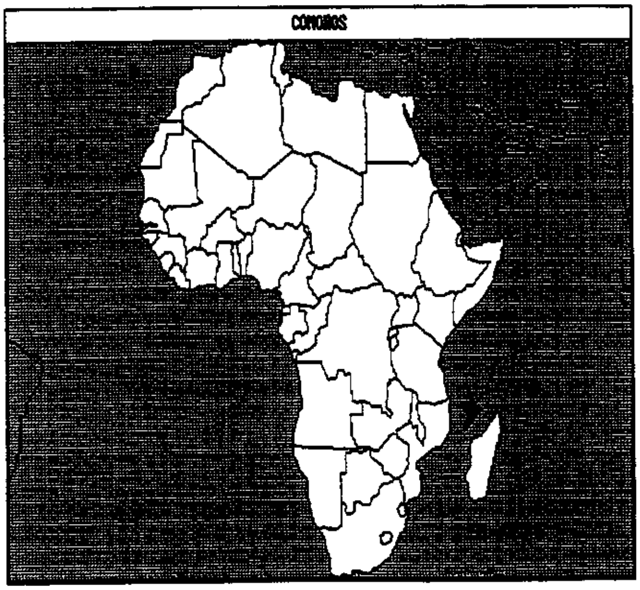
Natural Resources	Agricultural Products	Major Industries
Petroleum	Millet	Meat Products
Natron	Cassava	Sugar
Kaolinite	Sugarcane	Fish Products
Fish	Yams	Leather Goods
Clay	Cotton	Flour
Bauxite	Peanuts	Textiles
Gold	Pulses	Beer
Tungsten	Rice	Cigarettes
	Corn	Foodstuffs
	Sweet Potatoes	Natron Products
	Dates	
	Mangoes	
	Potatoes	
	Onions	
	Sesame	
	Gum Arabic	
	Sorghum	

Comoros

	1990	1991	1992	1993	1994
US Exports					
Electronics products	$21,491	$29,904	$67,480	$3,778	$40,466
Special provisions	1,929	11,531	48,555	61,147	13,012
Forest products	-	-	-	-	4,679
Miscellaneous manufactures	-	37,000	-	11,876	3,164
Textiles & apparel	-	-	-	-	2,602
Agricultural products	26,844	-	471,592	-	-
Transportation equipment	44,065	28,191	36,712	75,000	-
Machinery	26,550	2,865	-	7,228	-
Chemicals & related products	-	-	7,965	150,376	36,720
Total	**120,879**	**109,491**	**632,304**	**309,405**	**100,643**
US Imports					
Agricultural products	4,352,773	9,014,155	9,897,976	9,395,655	5,866,380
Chemicals & related products	242,140	383,425	362,985	147,694	108,750
Textiles & apparel	91,397	91,174	-	-	39,085
Special provisions	14,316	25,010	32,572	29,871	20,012
Electronics products	-	30,042	60,492	-	-
Miscellaneous manufactures	19,650	-	-	-	-
Machinery	-	206,050	-	-	-
Total	**4,720,276**	**10,115,828**	**10,354,025**	**9,573,220**	**6,034,227**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

The four Comors islands are located between the east coast of Africa and the NW corner of Madagascar



COMOROS

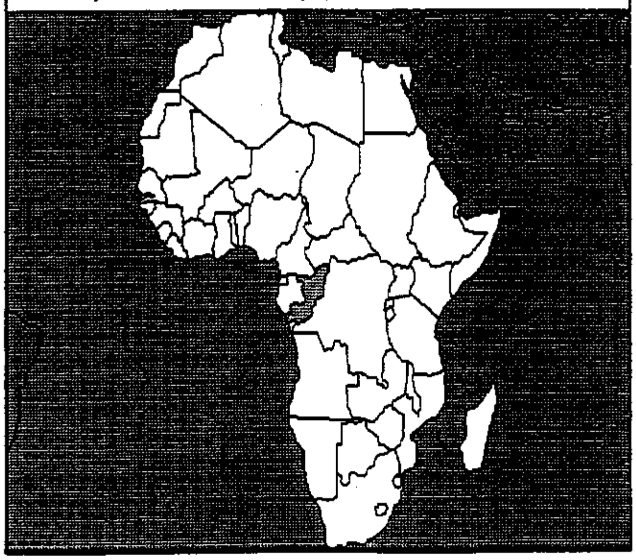
Natural Resources	Agricultural Products	Major Industries
Fish	Cassava Bananas Coconuts Pulses Corn Rice Copra Cloves Vanilla Ylang-Ylang Perfume Essences Cinnamon Yams Goats Cattle Sheep Roundwood	Perfumes Tourism Vanilla Ylang-Ylang Products Cement Handicrafts Soap Soft Drinks Aluminum Products Clothing

Congo

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$72,471,473	$30,423,724	$36,792,466	$14,881,635	$19,776,239
$Agricultural products	2,992,939	2,124,517	6,404,907	464,860	6,250,180
Minerals & metals	1,538,474	2,437,098	1,667,475	1,326,745	3,854,707
Chemicals & related products	2,200,937	1,075,034	2,358,586	3,522,063	2,213,588
Special provisions	3,336,751	1,594,424	1,135,786	1,690,430	1,190,241
Electronics products	2,633,991	2,061,509	2,968,915	2,693,876	999,591
Energy related products	56,327	98,682	288,084	150,919	223,977
Forest products	12,082	3,579	59,335	11,993	131,450
Textiles & apparel	216,189	33,380	130,826	170,564	26,645
Miscellaneous manufactures	245,652	34,464	66,452	139,696	24,749
Footwear	81,052	7,478	-	-	11,545
Machinery	3,761,648	3,220,232	7,486,399	2,306,974	3,190,324
Total	**89,547,515**	**43,114,121**	**59,359,231**	**27,359,755**	**37,893,236**
US Imports Under GSP					
Agricultural products	5,422,150	24,927	3,047,828	2,939,315	10,995
Chemicals & related products	-	-	-	-	300
Total	**5,422,150**	**24,927**	**3,047,828**	**2,939,315**	**11,295**
US Imports					
Energy-related products	399,179,750	403,660,477	503,671,588	492,912,508	387,973,387
Minerals & metals	8,050,241	2,200,769	711,776	751,490	13,783,995
Special provisions	290,487	2,828,100	2,034,439	1,916,977	707,017
Forest products	488,102	688,511	174,681	529,681	470,234
Miscellaneous manufactures	141,288	143,000	105,719	20,137	45,810
Transportation equipment	70,000	-	-	29,993	22,160
Electronics products	1,430	-	-	-	15,540
Agricultural products	5,424,214	24,927	3,047,828	3,075,899	10,995
Chemicals & related products	4,398	68,578	-	44,584	835
Textiles & apparel	-	-	-	1,310	
Machinery	-	22,653	19,436	725,960	-
Total	**413,649,910**	**409,637,015**	**509,765,467**	**500,008,539**	**403,029,973**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

CONGO



CONGO

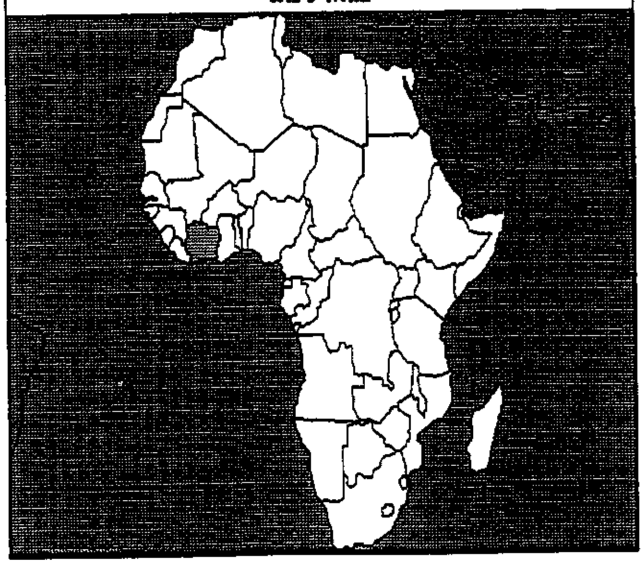
Natural Resources	Agricultural Products	Major Industries
Petroleum	Cassava	Petroleum Products
Timber	Sugarcane	Cement
Potash	Pineapples	Sugar
Lead	Plantains	Edible Oils
Zinc	Bananas	Wheat Flour
Uranium	Avocados	Cigarettes
Copper	Peanuts	Soft Drinks
Phosphates	Palm Products	Alcoholic Beverages
Natural Gas	Yams	Veneer Sheets
Fish	Corn	Footwear
	Coffee	Soap
	Cacao	
	Rubber	
	Rice	
	Tobacco	
	Wood	
	Goats	

Côte d'Ivoire

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$34,653,340	$29,826,632	$27,571,315	$26,741,867	$24,815,157
Electronics products	4,599,722	3,008,119	9,764,766	7,266,811	19,739,452
Chemicals & related products	8,459,907	11,035,952	12,681,794	11,548,523	19,244,294
Transportation equipment	3,355,024	4,548,461	13,661,590	15,733,870	12,935,457
Machinery	6,039,088	8,017,641	5,023,320	7,503,398	12,857,280
Forest products	7,744,476	7,178,101	7,486,686	7,047,418	7,701,404
Textiles & apparel	7,231,546	5,608,537	3,847,868	4,907,036	5,610,463
Minerals & metals	473,725	657,215	908,332	1,448,617	3,319,826
Special provisions	3,270,673	3,905,510	2,660,916	3,596,608	2,953,893
Miscellaneous manufactures	249,742	482,581	604,763	271,041	502,072
Energy-related products	340,686	5,125,321	1,779,014	1,636,676	180,168
Footwear	5,000	20,152	370,375	42,603	192,032
Total	**76,422,929**	**79,414,222**	**86,360,739**	**87,744,468**	**110,051,498**
US Imports Under GSP					
Agricultural products	18,137,460	11,941,947	6,270,908	12,498,644	10,050,480
Forest products	96,739	89,416	164,516	393,326	579,550
Miscellaneous manufactures	5,236	12,127	51,279	12,323	28,385
Minerals & metals	5,911	94,987	46,973	4,552	23,334
Machinery	-	-	-	1,940	7,888
Textiles & apparel	-	1,254	2,490	2,625	1,896
Chemicals & related products	938,540	-	-	4,789	1,543
Electronics products	3,082	-	12,500	548,895	-
Total	**19,186,968**	**12,139,731**	**6,548,666**	**13,467,094**	**10,693,076**
US Imports					
Agricultural products	157,098,526	161,511,267	137,008,158	128,594,465	142,031,116
Miscellaneous manufactures	1,092,926	1,616,690	864,832	807,415	18,510,340
Chemicals & related products	6,688,077	7,487,227	6,591,691	6,825,910	8,927,593
Energy-related products	13,744,349	18,708,203	21,778,350	25,901,410	6,272,725
Forest products	3,946,610	4,557,358	2,629,501	3,938,738	4,910,802
Textiles & apparel	734,925	2,110,960	3,630,366	3,569,945	1,265,914
Electronics products	528,530	772,205	483,490	940,846	1,104,640
Minerals & metals	14,270,637	19,627,923	13,661,635	3,724,606	866,809
Special provisions	722,414	459,176	564,736	2,530,767	546,992
Footwear	399,564	101,861	182,610	1,176,839	512,499
Machinery	530,368	629,264	58,191	75,285	354,293
Transportation equipment	11,850	10,256	-	135,100	41,258
Total	**199,768,776**	**217,592,390**	**187,453,560**	**178,221,326**	**185,344,981**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

COTE D' IVOIRE



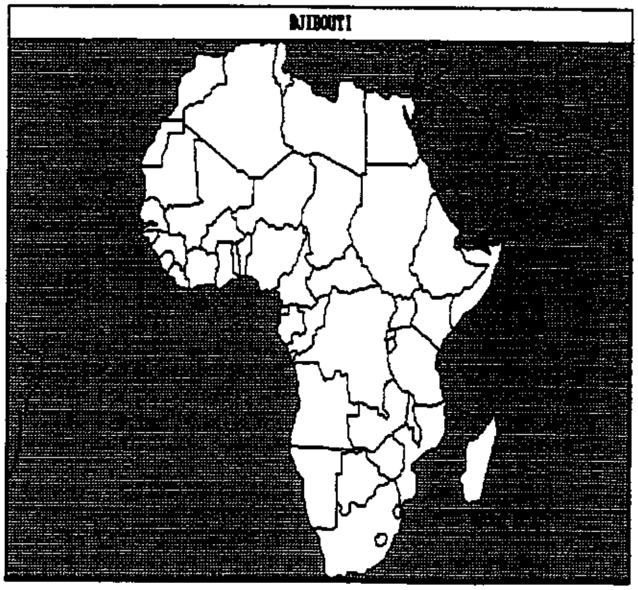
COTE D' IVOIRE

Natural Resources	Agricultural Products	Major Industries
Petroleum	Yams	Cement
Diamonds	Sugarcane	Beer
Manganese	Cassava	Soft Drinks
Iron Ore	Plantains	Fabrics
Cobalt	Cocoa	Foodstuffs
Bauxite	Beans	Cotton Products
Copper	Rice	Chemicals
Fish	Coconuts	Fertilizer
	Corn	Insecticides
	Pineapples	Paints
	Palm Products	Lumber
	Coffee	Petroleum Products
	Cotton	
	Rubber	
	Sheep	
	Goats	
	Cattle	

Djibouti

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$2,704,607	$1,668,595	$2,006,660	$4,041,777	$2,242,945
Textiles & apparel	1,545,105	4,216,863	4,616,570	5,537,888	2,014,061
Electronics products	84,163	261,672	319,710	886,490	816,780
Special provisions	608,170	1,049,679	2,009,096	899,438	303,026
Chemicals & related products	85,763	166,366	323,364	61,050	234,292
Transportation equipment	886,534	700,114	245,938	190,914	231,677
Miscellaneous manufactures	5,564	81,734	53,125	134,453	69,998
Forest products	4,855	301,477	131,361	99,268	40,238
Minerals & metals	-	663,923	86,400	88,511	23,924
Energy related products	-	28,727	26,219	24,909	-
Machinery	1,448,623	835,515	768,224	988,443	726,205
Total	**7,373,384**	**9,974,665**	**10,586,667**	**12,953,141**	**6,703,146**
US Imports Under GSP					
Forest products	-	-	-	1,500	-
US Imports					
Minerals & metals	-	-	-	-	26,824
Agricultural products	-	-	-	24,901	19,600
Special provisions	-	26,966	-	1,751	14,458
Chemicals & related products	-	-	-	-	1,320
Forest products	1,808	-	-	1,500	-
Transportation equipment	-	25,897	-	-	-
Total	**1,808**	**52,863**	-	**28,152**	**62,202**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



DJIBOUTI

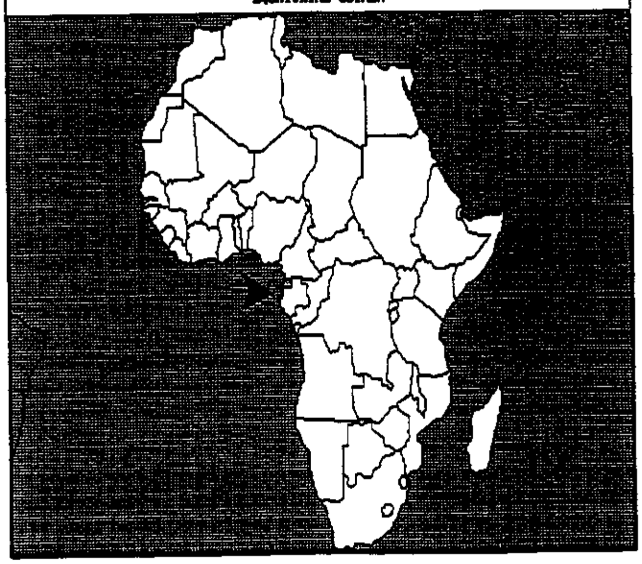
Natural Resources	Agricultural Products	Major Industries
Fish	Vegetables Melons Tomatoes Eggplants Fruits Goats Sheep Cattle Camels Asses	Furniture Soft Drinks Electrical Products Mineral Water

Equatorial Guinea

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$140,284	$9,191,914	$5,639,912	$1,956,274	$1,459,907
Textiles & apparel	-	82,752	59,084	78,113	128,091
Electronics products	19,031	202,931	85,068	216,720	107,885
Machinery	7,696	2,966	56,750	238,476	66,016
Forest products	27,599	712,980	430,659	16,712	42,391
Chemicals & related products	27,311	13,683	532,728	350,353	40,906
Special provisions	19,704	195,707	185,088	377,838	23,174
Agricultural products	-	2,256,259	2,416,410	-	17,342
Minerals & metals	-	17,336	1,292,315	40,869	8,100
Miscellaneous manufactures	-	-	13,400	-	-
Footwear	-	-	10,000	157,622	-
Energy related products	-	-	4,730	-	-
Total	**241,625**	**12,676,528**	**10,726,144**	**3,432,977**	**1,893,812**
US Imports Under GSP					
Chemicals & related products	-	-	-	-	23,387
Miscellaneous manufactures	-	1,879	-	-	-
	-	**1,879**	-	-	**23,387**
US Imports					
Electronics products	-	-	23,578	-	288,816
Chemicals & related products	-	-	-	-	23,387
Miscellaneous manufactures	-	1,879	-	-	13,035
Special provisions	-	217,444	668	39,591	986
Minerals & metals	-	-	101,290	-	-
Forest products	-	1,800	-	-	-
Energy-related products	-	-	-	3,640,260	-
Total	-	**221,123**	**125,536**	**3,679,851**	**326,224**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

EQUATORIAL GUINEA



EQUATORIAL GUINEA

Natural Resources	Agricultural Products	Major Industries
Timber	Roots & Tubers	Palm Products
Petroleum	Bananas	Cement
Gold	Fruits	Wood Products
Manganese	Coconuts	Coffee
Uranium	Coffee	Furniture
Lead	Cacao	
Zinc	Palm Products	
Molybdenum	Sheep	
Diamonds	Goats	
Iron Ore	Pork	
	Cattle	
	Chickens	

Eritrea

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	-	-	-	$263,854	$5,919,115
Transportation equipment	-	-	-	4,100	711,369
Electronics products	-	-	-	430,372	637,162
Machinery	-	-	-	3,912	397,004
Special provisions	-	-	-	215,876	375,488
Forest products	-	-	-	-	90,528
Minerals & metals	-	-	-	-	17,500
Chemicals & related products	-	-	-	-	5,402
Total	-	-	-	918,114	8,153,568
US Imports					
Miscellaneous manufactures	-	-	-	-	69,962
Agricultural products	-	-	-	-	12,004
Textiles & apparel	-	-	-	-	4,197
Special provisions	-	-	-	-	16,500
Total	-	-	-	-	102,663

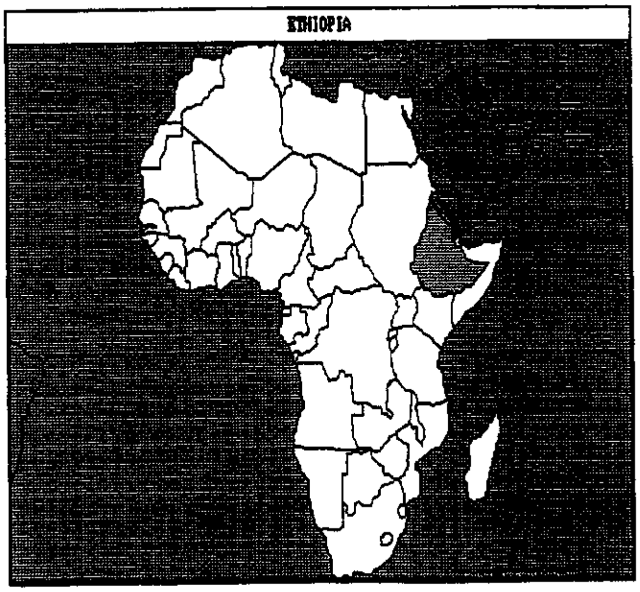
Eritrea acceded to independence from Ethiopia in May of 1993 and occupies the northern end of the Ethiopian plateau extending to the Red Sea. No graphical representation s are available. However the map on page D-16 of Ethiopia show the approximate representation of Eritrea where the area is darkened.

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

Ethiopia

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$61,633,813	$59,589,439	$66,096,062	$69,012,930	$85,499,753
Transportation equipment	75,13,976	13,15,69	166,452,234	31,667,715	23,671,891
Electronics products	-	-	-	2,16,254	8,872,878
Machinery	2,565,568	1,3,325	1,153,523	3,969,338	8,463,464
Special provisions	11,764,612	13,237,24	6,5,34	7,789,819	6,626,392
Textiles & apparel	426,164	156,129	83,546	1,5,54	941,651
Chemicals & related products	268,18	2,63,421	4,342,464	15,88,138	6,861,22
Forest products	24,363	195,878	42,586	1,253,479	653,561
Energy related products	244,52	13,827	6,924	51,513	123,463
Minerals & metals	948,466	519,15	251,461	523,256	54,277
Miscellaneous manufactures	96,541	167,83	47,73	116,828	22,61
Electronics products	3,692,59	2,385,572	3,76,678	4,295,866	12,55
Footwear	1,131	-	-	-	-
Total	**156,94,294**	**21,49,465**	**249,349,512**	**138,167,19**	**142,541,17**
US Imports Under GSP					
Miscellaneous manufactures	-	-	-	15,944	34,396
Textiles & apparel	-	-	-	-	12,7
Minerals & metals	-	-	-	-	6,7
Chemicals & related products	-	-	-	593	9
Forest products	-	-	-	2,	2,
Agricultural products	-	-	-	28,112	-
Total	-	-	-	**46,649**	**146,696**
US Imports					
Agricultural products	31,14,11	8,619,32	7,463,621	19,88,366	31,671,894
Textiles & apparel	461,551	81,984	41,475	166,18	1,185,425
Special provisions	3,235,377	2,564,131	315,63	1,585,53	967,259
Machinery	43,613	-	1,	-	61,769
Miscellaneous manufactures	18,135	23,615	11,158	396,158	38,776
Transportation equipment	1,5	-	4,	5,	13,872
Forest products	17,44	16,694	-	6,645	2,735
Footwear	-	-	-	962	1,754
Minerals & metals	-	1,69	2,196	6,125	1,533
Chemicals & related products	3,178,514	2,284,446	58,298	87,921	12,55
Electronics products	5,562	9,623	-	-	7,8
Energy-related products	1,59,243	-	-	-	-
Total	**39,565,64**	**14,339,53**	**8,356,351**	**22,62,815**	**34,99,872**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.
The darkend area in the northern part of Ethiopia represents Eritrea.



ETHIOPIA

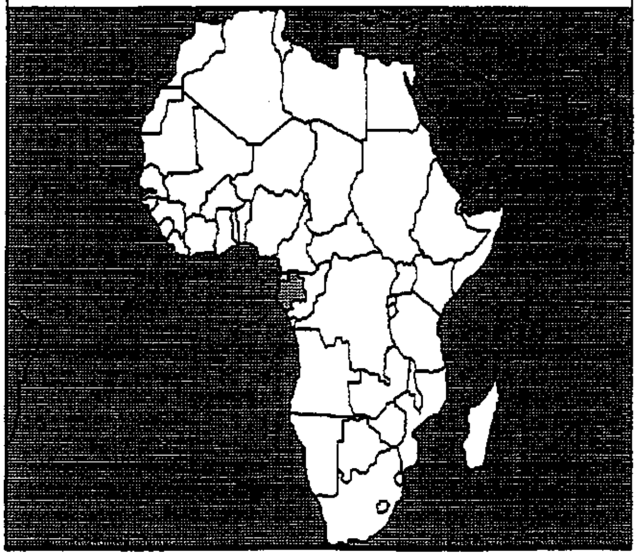
Natural Resources	Agricultural Products	Major Industries
Potash	Sugarcane	Textiles
Salt	Corn	Foodstuffs
Gold	Sorghum	Beverages
Copper	Barley	Leather Goods
Platinum	Pulses	Footwear
Cement	Wheat	Metal Products
Limestone	Yams	Cigarettes
Fish	Potatoes	Chemicals
	Millet	Paper
	Coffee	Nonmetal. Mineral Prod.
	Cotton	Construction
	Oilseeds	Cement
	Hides & Skins	Hydroelectric Power
	Cattle	Petroleum Products
	Sheep	Printing
	Goats	
	Horses	

Gabon

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$22,627,346	$58,484,460	$32,656,471	$31,091,599	$19,883,045
Machinery	10,499,047	3,871,032	9,679,010	5,549,783	6,673,212
Electronics products	3,136,330	11,345,801	6,203,516	3,188,616	4,481,625
Chemicals & related products	1,384,301	1,722,145	1,613,097	1,314,763	1,976,281
Agricultural products	1,096,092	1,529,852	1,321,717	1,867,219	1,553,282
Forest products	109,239	431,126	84,684	241,383	1,542,804
Special provisions	1,377,525	2,854,997	1,372,498	1,049,279	1,406,182
Minerals & metals	7,162,965	3,064,172	1,196,673	1,415,253	965,311
Energy related products	47,497	157,430	319,771	618,609	909,740
Miscellaneous manufactures	651,969	487,729	69,525	117,135	369,884
Textiles & apparel	160,144	304,410	127,872	920,230	309,983
Footwear	-	5,155	21,557	-	-
Total	**75,935,722**	**26,377,866**	**16,204,404**	**44,030,102**	**40,071,349**
US Imports					
Energy-related products	697,159,456	674,842,562	890,820,524	905,257,420	1,207,817,612
Minerals & metals	19,423,363	29,865,990	27,497,853	15,353,413	22,275,935
Special provisions	2,254,453	2,789,231	873,315	1,286,518	1,046,058
Agricultural products	7,294,952	3,740,916	2,899,941	292,035	465,197
Miscellaneous manufactures	95,612	189,429	53,792	107,515	431,215
Chemicals & related products	79,504	63,770	5,143,368	327,009	407,603
Forest products	8,920	53,689	34,143	5,213	137,831
Machinery	8,618	-	-	2,518	112,130
Electronics products	138,413	-	28,835	2,913	11,927
Textiles & apparel	30,919	13,475	555,092	10,764	3,291
Transportation equipment	7,550	-	7,000	-	-
Footwear	-	-	-	36,397	-
Total	**726,501,760**	**711,559,062**	**927,913,863**	**922,681,715**	**1,232,708,799**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

GABON



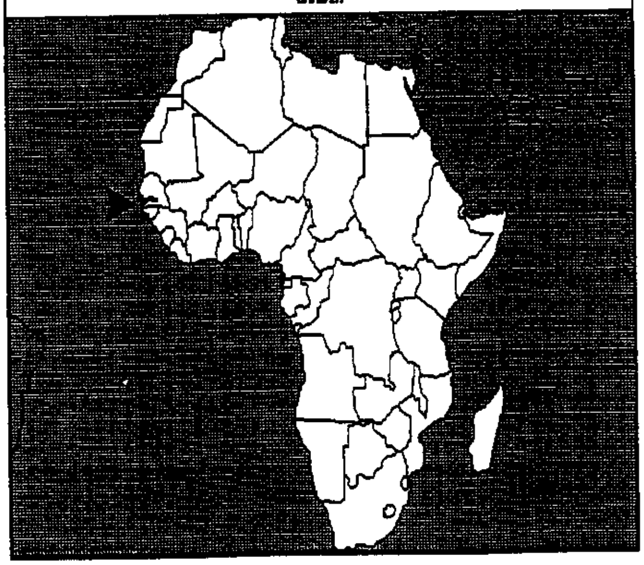
GABON

Natural Resources	Agricultural Products	Major Industries
Petroleum	Roots & Tubers	Cement
Manganese	Cassava	Flour
Uranium	Plantains	Sugar
Timber	Sugarcane	Beverages
Iron Ore	Corn	Cigarettes
	Peanuts	Textiles
	Bananas	Petroleum Products
	Palm Products	Beer
	Cacao	Machinery
	Coffee	Lumber
	Pineapples	Metal Products
		Clothing
		Tourism

Gambia

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$1,797,478	$4,686,523	$4,043,806	$4,620,529	$1,441,542
Electronics products	540,658	592,188	1,664,033	1,032,563	681,906
Machinery	275,602	159,884	224,705	579,687	500,290
Textiles & apparel	2,301,493	2,319,198	2,117,069	1,218,726	469,577
Special provisions	393,017	195,797	219,117	263,872	261,310
Transportation equipment	126,040	223,449	85,385	50,994	202,230
Minerals & metals	140,412	132,611	84,432	148,855	149,181
Chemicals & related products	3,042,193	2,173,596	1,389,676	1,999,190	97,970
Miscellaneous manufactures	15,983	123,609	57,077	86,419	47,500
Footwear	10,500	-	-	-	-
Energy related products	-	9,013	79,220	40,425	-
Forest products	13,070	45,981	20,380	35,871	-
Total	**8,656,446**	**10,661,849**	**9,984,900**	**10,077,131**	**3,851,506**
US Imports Under GSP					
Agricultural products	57,000	42,500	-	9,525	5,808
Miscellaneous manufactures	1,598	3,553	-	2,595	2,000
Forest products	-	3,500	28,300	2,800	-
Chemicals & related products	-	-	-	1,100	-
Textiles & apparel	-	-	-	509	-
Total	**58,598**	**49,553**	**28,300**	**16,529**	**7,808**
US Imports					
Minerals & metals	1,194,645	2,024,328	717,753	1,991,933	1,950,803
Textiles & apparel	19,341	59,735	138,180	209,221	458,952
Special provisions	18,749	31,577	8,954	26,250	220,797
Agricultural products	282,341	97,219	-	6,351,967	15,417
Electronics products	189,560	-	24,000	-	14,816
Miscellaneous manufactures	181,465	3,553	-	4,133	11,363
Transportation equipment	-	-	53,797	-	11,019
Forest products	-	3,500	57,845	9,800	1,600
Chemicals & related products	-	-	92,015	1,100	-
Machinery	24,261	-	50,000	-	-
Total	**1,910,362**	**2,219,912**	**1,142,544**	**8,594,404**	**2,684,767**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, Africa South of the Sahara, 1995.



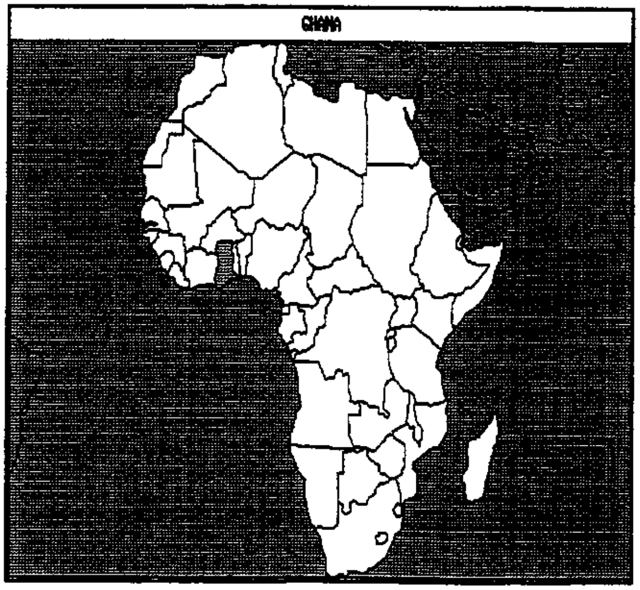
GAMBIA

Natural Resources	Agricultural Products	Major Industries
Fish	Peanuts	Processed Foods
Sand & Gravel	Millet	Edible Oils
	Rice	Beverages
	Corn	Textiles
	Cassava	Chemicals
	Pulses	Nonmetal. Mineral Prod.
	Palm Products	Leather Goods
	Cotton	Peanut Products
	Sorghum	Machinery
	Cattle	Lumber
	Goats	Metal Products
	Sheep	Clothing
	Roundwood	Tourism
		Publishing
		Printing

Ghana

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$21,251,874	$15,073,402	$27,067,834	$45,378,047	$36,631,008
Transportation equipment	17,507,286	19,479,005	16,987,070	32,378,687	23,700,184
Chemicals & related products	31,999,589	28,115,463	21,066,747	41,647,699	15,004,636
Machinery	15,745,998	21,796,346	12,739,521	37,607,101	11,914,972
Electronics products	4,995,858	8,886,593	8,249,086	9,904,157	8,512,579
Textiles & apparel	6,862,240	7,884,602	9,004,193	10,708,254	7,330,010
Energy related products	20,809,721	15,092,909	6,537,638	506,072	5,279,579
Minerals & metals	5,322,600	11,057,329	7,519,574	11,678,142	5,186,993
Special provisions	6,422,051	8,420,251	7,126,955	9,481,068	5,008,168
Forest products	1,739,809	1,752,298	1,401,935	8,353,152	1,361,365
Miscellaneous manufactures	820,400	2,756,637	1,677,370	3,178,780	1,142,416
Footwear	174,980	368,793	308,316	470,306	297,141
Total	**133,652,406**	**140,683,628**	**119,686,239**	**211,291,465**	**121,369,051**
US Imports Under GSP					
Minerals & metals	2,000	643,152	800,156	411,968	1,264,446
Agricultural products	755,669	612,412	889,148	1,577,586	938,619
Forest products	129,351	142,319	210,528	347,021	455,262
Miscellaneous manufactures	64,642	29,598	61,063	96,350	193,880
Textiles & apparel	22,652	16,550	8,566	40,818	15,836
Chemicals & related products	31,081	-	-	-	960
Total	**1,005,395**	**1,444,031**	**1,969,461**	**2,473,743**	**2,869,003**
US Imports					
Minerals & metals	96,720,009	65,159,657	41,249,485	126,826,212	152,902,543
Energy-related products	11,996,785	57,728	7,123,675	11,243,167	21,117,842
Agricultural products	55,676,292	83,489,156	44,664,631	58,505,777	17,361,890
Forest products	2,823,380	1,555,065	1,960,146	2,226,465	4,191,968
Textiles & apparel	113,186	152,208	378,784	1,081,085	1,920,116
Special provisions	1,059,577	643,599	642,418	8,276,085	509,804
Miscellaneous manufactures	125,470	53,866	91,743	110,934	303,328
Chemicals & related products	31,081	360,239	100,063	65,645	156,889
Electronics products	-	6,129	-	42,291	14,458
Transportation equipment	-	79,357	-	-	7,013
Footwear	-	-	1,311	820	448
Machinery	14,962	54,081	208,925	90,246	-
Total	**168,560,742**	**151,611,085**	**96,421,181**	**208,468,727**	**198,486,299**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



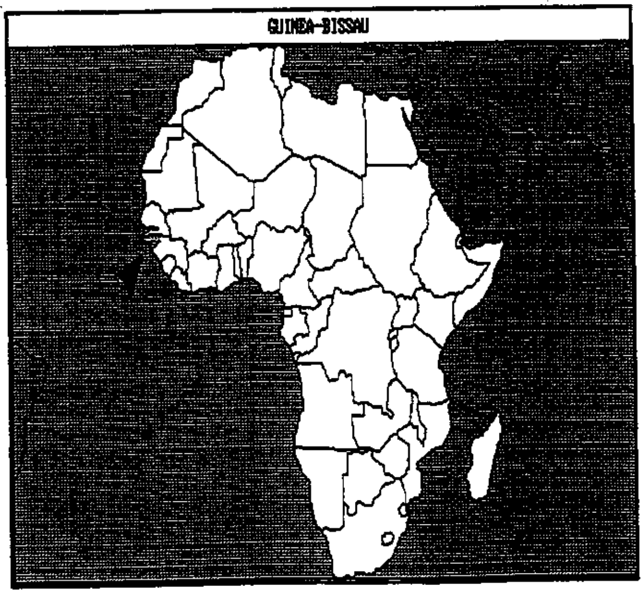
GHANA

Natural Resources	Agricultural Products	Major Industries
Gold	Cassava	Petroleum Products
Timber	Yams	Lumber
Diamonds	Taros	Cement
Bauxite	Grains	Wheat Flour
Manganese	Sorghum	Soap
Fish	Millet	Cocoa Products
	Rice	Margarine
	Bananas	Iron Products
	Plantains	Toothpaste
	Cocoa	Textiles
	Peanuts	Soft Drinks
	Sugarcane	Milk Products
	Coconuts	Cigarettes
	Green Peppers	Fishing
	Oranges	Light Manufacturing
	Lemons & Limes	Aluminum
	Palm Products	

Guinea-Bissau

	1990	1991	1992	1993	1994
US Exports					
Electronics products	$4,000	$54,474	$1,308,639	$402,851	$512,282
Chemicals & related products	12,632	-	-	-	204,958
Transportation equipment	8,256	533,013	84,342	546,420	105,636
Footwear	-	-	-	-	56,552
Special provisions	17,852	31,323	30,966	17,257	30,714
Miscellaneous manufactures	-	-	-	25,777	29,783
Agricultural products	1,030,180	57,917	15,294	652,096	20,711
Machinery	12,146	748,841	-	-	14,129
Forest products	-	-	-	-	4,942
Minerals & metals	5,600	7,677	3,413	-	
Textiles & apparel	23,448	-	23,500	-	
Total	**1,114,114**	**1,433,245**	**1,466,154**	**1,644,401**	**979,707**
US Imports					
Electronics products	-	-	15,088	-	-
Miscellaneous manufactures	1,720	-	-	-	-
Minerals & metals	342,592	84,150	-	198,241	-
Agricultural products	1,734	-	-	-	-
Special provisions	1,072	-	6,962	10,431	-
Forest products	-	-	1,500	-	-
Textiles & apparel		1,000	1,150		-
Total	347,118	85,150	24,700	208,672	-

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



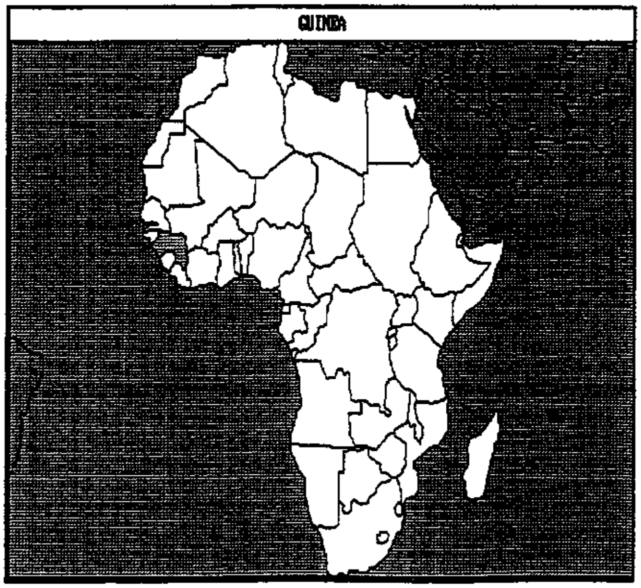
GUINEA-BISSAU

Natural Resources	Agricultural Products	Major Industries
Petroleum	Rice	Foodstuffs
Bauxite	Fruits	Beer
Phosphates	Sweet Potatoes	Soft Drinks
Timber	Cassava	Clothing
Fish	Sorghum	Edible Oils
	Peanuts	
	Coconuts	
	Plantains	
	Millet	
	Vegetables	
	Cashews	
	Corn	
	Palm Products	
	Sugarcane	
	Copra	
	Cotton	
	Cattle	

Guinea

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$11,574,919	$33,089,385	$23,795,698	$27,116,157	$16,801,381
Transportation equipment	7,276,397	15,380,521	11,155,292	7,703,621	7,650,547
Special provisions	5,478,312	9,651,482	4,744,957	4,450,386	5,228,520
Chemicals & related products	7,756,063	9,130,115	4,328,206	5,280,247	5,045,103
Electronics products	1,368,097	2,886,135	3,691,826	3,464,001	3,711,961
Machinery	3,225,860	4,061,830	3,134,644	2,754,836	2,812,370
Textiles & apparel	1,704,424	1,642,837	1,589,719	1,590,753	2,016,385
Minerals & metals	1,508,840	1,852,867	1,385,123	1,728,896	1,416,566
Energy-related products	1,016,903	5,906,122	4,521,767	1,634,111	1,261,600
Forest products	414,707	715,673	927,102	1,036,400	980,616
Miscellaneous manufactures	503,375	734,949	637,722	469,620	278,499
Footwear	32,245	24,394	25,994	31,018	91,374
Total	**41,860,142**	**85,076,310**	**59,938,050**	**57,260,046**	**47,294,922**
US Imports Under GSP					
Forest products	-	11,785	33,400	8,850	13,419
Electronics products	-	-	-	-	10,550
Miscellaneous manufactures	-	-	-	3,275	4,375
Agricultural products	81,660	114,203	98,426	47,416	4,263
Machinery	-	4,691	-	-	3,000
Chemicals & related products	-	-	-	-	598
Total	**81,660**	**130,679**	**212,339**	**343,018**	**555,357**
US Imports					
Minerals & metals	138,035,202	122,519,907	100,142,121	102,258,317	90,011,777
Special provisions	208,525	664,173	377,975	408,477	2,202,170
Agricultural products	352,492	363,089	599,142	649,064	311,066
Electronics products	15,833	17,810	-	3,259	153,134
Textiles & apparel	1,350	94,085	8,807	12,984	73,953
Miscellaneous manufactures	16,215	16,978	78,005	195,812	42,202
Forest products	113,863	34,410	61,089	58,857	14,919
Machinery	108,537	6,274	5,876	20,240	3,000
Transportation equipment	5,462	-	-	3,000	2,500
Chemicals & related products	111,366	567	52,585	4,873,088	598
Footwear	-	-	44,445	-	-
Energy-related products	-	-	-	4,490,414	-
Total	**138,968,845**	**123,717,293**	**101,370,045**	**112,973,512**	**92,815,319**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



GUINEA

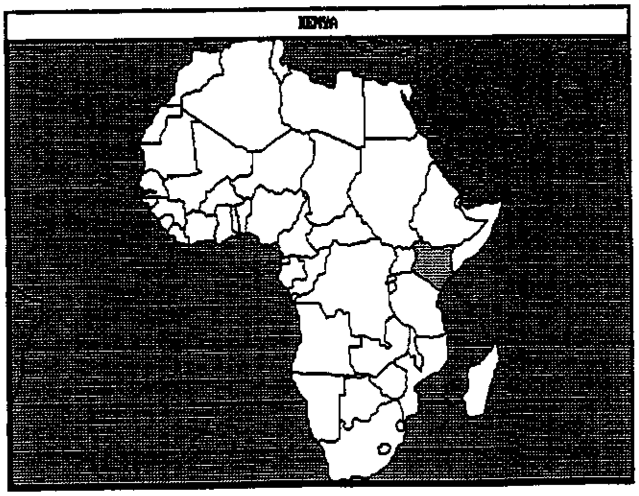
Natural Resources	Agricultural Products	Major Industries
Bauxite	Cassava	Iron Products
Iron Ore	Yams	Plastics
Diamonds	Rice	Tobacco Products
Gold	Vegetables	Cement
Hydroelectric Power	Melons	Printing
Uranium	Plantains	Fruits Juice
Fish	Sugarcane	Beer
Aluminum	Citrus Fruit	Matches
	Bananas	Mining
	Peanuts	Light Manufacturing
	Pulses	Construction
	Corn	
	Palm Products	
	Pineapples	
	Coconuts	
	Coffee	
	Eggs	

Kenya

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$14,183,199	$7,898,366	$47,574,058	$29,186,982	$57,393,850
Chemicals & related products	23,991,784	20,795,739	16,939,763	17,784,172	26,378,096
Special provisions	7,266,601	4,588,167	7,688,743	8,057,354	25,958,272
Transportation equipment	30,597,883	16,611,180	20,057,370	24,095,784	23,656,012
Electronics products	9,340,365	13,477,589	8,044,829	8,535,813	13,719,721
Machinery	18,570,679	16,792,620	16,840,685	19,370,730	10,308,879
Textiles & apparel	3,756,924	2,204,528	1,854,247	2,624,266	3,383,417
Energy related products	1,887,747	2,283,179	285,702	2,262,855	3,259,633
Forest products	1,517,781	1,865,753	2,311,038	1,486,566	1,609,066
Miscellaneous manufactures	510,645	2,816,312	428,275	991,908	1,448,624
Minerals & metals	2,990,513	1,706,759	959,587	1,063,693	1,262,237
Footwear		-	15,000	3,757	106,643
Total	**114,614,121**	**91,040,192**	**122,999,297**	**115,463,880**	**168,484,450**
US Imports Under GSP					
Agricultural products	2,481,428	2,682,687	2,260,727	3,037,061	3,938,177
Forest products	1,368,760	1,234,229	1,533,015	2,138,253	2,208,216
Minerals & metals	1,274,245	899,821	763,272	1,367,044	1,969,408
Miscellaneous manufactures	351,955	327,959	338,641	594,536	721,964
Machinery	4,880	-	6,866	7,570	173,060
Chemicals & related products	11,277	178,805	-	-	91,011
Textiles & apparel	5,220	8,083	5,187	10,994	22,135
Electronics products	290,716	66,324	6,354	38,535	16,310
Footwear		-	66,838		
Total	**5,788,481**	**5,397,908**	**4,980,900**	**7,193,993**	**9,140,281**
US Imports					
Agricultural products	41,502,190	43,466,972	40,705,863	44,831,229	53,627,041
Textiles & apparel	3,097,875	5,653,954	8,085,472	24,059,432	38,016,844
Special provisions	2,934,000	9,180,084	11,032,476	4,836,187	7,759,906
Minerals & metals	4,538,223	1,898,235	1,851,632	2,965,458	3,741,227
Forest products	1,859,576	1,361,434	1,720,391	2,230,223	2,512,502
Miscellaneous manufactures	1,413,708	1,141,038	806,347	1,102,720	1,655,681
Chemicals & related products	186,203	5,480,523	535,632	865,229	1,495,266
Electronics products	2,627,626	658,997	4,113,775	1,542,359	1,431,553
Footwear	432,272	378,232	166,065	122,620	306,597
Machinery	118,844	520,039	629,806	1,134,669	235,652
Energy-related products	-	3,968,058	3,387,023	8,008,247	101,356
Transportation equipment	178,118	63,828	299,815	577,145	80,639
Total	**58,888,635**	**73,771,394**	**73,334,297**	**92,275,518**	**110,964,264**

Source: U.S.

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



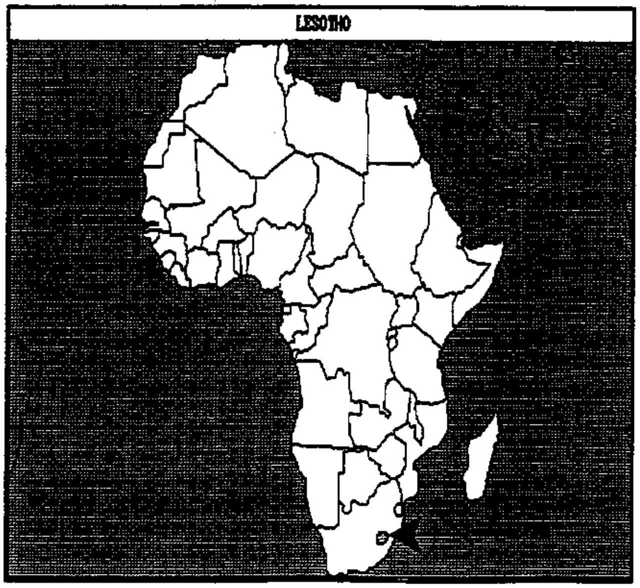
KENYA

Natural Resources	Agricultural Products	Major Industries
Gold	Sugarcane	Cement
Limestone	Corn	Sugar
Diatomite	Potatoes	Flour
Salt	Cassava	Soap
Magnesite	Pulses	Fabrics
Feldspar	Sweet Potatoes	Beer
Gems	Plantains	Mineral Water
Wildlife	Pineapples	Paints
Soda Ash	Wheat	Alcoholic Beverages
Salt	Tea	Meat Products
Fluorspar	Bananas	Hides & Skins
Corundum	Sorghum	Petroleum Products
Fish	Coffee	Light Manufacturing
	Coconuts	Foodstuffs
	Millet	Tourism
	Sisal	
	Cotton	

Lesotho

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$1,379,508	$1,661,958	$1,780,595	$2,482,236	$2,708,908
Transportation equipment	25,907	6,107	232,191	693,618	349,453
Electronics products	1,243,496	170,964	647,761	112,988	115,714
Special provisions	65,813	455,306	66,406	347,230	71,968
Machinery	-	827,335	55,058	44,450	35,550
Chemicals & related products	20,206	196,440	42,529	136,273	33,946
Textiles & apparel	-	-	159,600	150,000	11,439
Forest products	21,186	32,696	7,500	-	3,573
Minerals & metals	41,735	14,073	-	-	-
Miscellaneous manufactures	-	76,000	61,443	47,487	-
Total	2,797,851	3,440,879	3,053,083	4,014,282	3,330,551
US Imports Under GSP					
Miscellaneous manufactures	-	1,315	2,240	-	30,215
Chemicals & related products	-	-	-	-	12,776
Textiles & apparel	-	-	-	1,734	7,866
Agricultural products	-	27,537	13,778	-	-
Total	-	28,852	16,018	1,734	50,857
US Imports					
Textiles & apparel	24,531,681	27,043,606	51,063,910	55,093,200	62,456,253
Special provisions	81,880	85,518	89,833	169,918	155,047
Minerals & metals	161,633	-	1,218,628	458,218	82,680
Miscellaneous manufactures	2,402	1,315	2,240	-	30,215
Chemicals & related products	-	-	-	-	12,776
Agricultural products	78,203	54,279	13,778	-	-
Forest products	4,372	-	-	-	-
Total	24,860,171	27,184,718	52,388,389	55,721,336	62,736,971

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



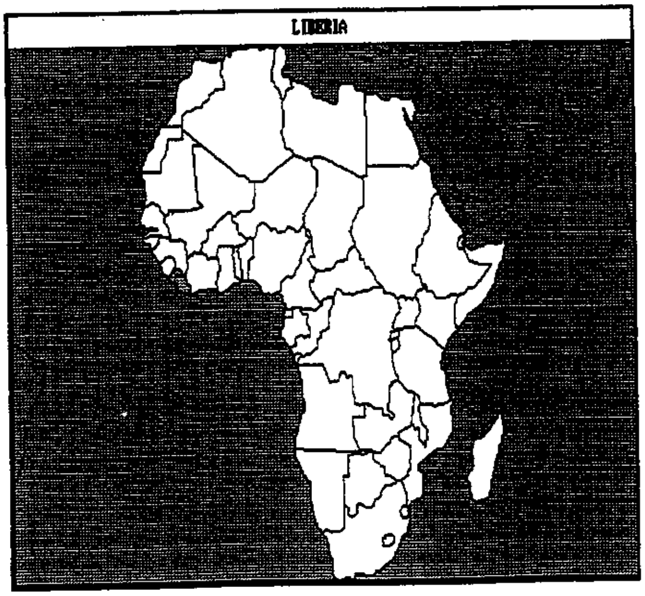
LESOTHO

Natural Resources	Agricultural Products	Major Industries
Diamonds	Corn	Foodstuffs
Water	Sorghum	Beverages
Fish	Melons	Textiles
	Wheat	Leather Goods
	Pulses	Clothing & Accessories
	Fruits	Iron & Steel Products
	Roots & Tubers	Chemicals
	Peas	Printing
	Beans	Furniture & Fixtures
	Asparagus	Construction
	Wool	Handicrafts
	Mohair	Tourism
	Sheep	Publishing
	Goats	
	Cattle	
	Mules	
	Asses	

Liberia

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$19,242,915	$37,486,152	$14,996,414	$14,007,830	$36,192,531
Special provisions	3,253,399	4,498,075	2,591,521	874,734	3,294,869
Textiles & apparel	1,521,806	223,924	1,567,159	1,202,052	2,071,996
Electronics products	1,234,943	506,604	2,145,511	920,558	1,777,310
Chemicals & related products	2,427,277	890,006	1,695,622	775,741	834,563
Transportation equipment	7,463,816	1,819,118	2,291,358	748,904	622,490
Machinery	6,745,121	805,513	2,978,654	558,341	475,225
Footwear	61,987	5,381	-	50,518	265,916
Forest products	408,055	183,548	1,381,637	264,544	233,070
Miscellaneous manufactures	430,723	108,699	281,935	446,022	219,721
Minerals & metals	1,010,905	239,564	309,888	120,094	214,316
Energy related products	141,021	148,884	181,176	33,503	8,267
Total	**43,941,968**	**46,915,468**	**30,420,875**	**20,002,841**	**46,210,274**
US Imports					
Minerals & metals	22,050,767	2,315,422	2,748,430	2,088,747	2,122,829
Chemicals & related products	26,583,387	6,666,492	9,341,059	648,219	970,798
Energy-related products	-	-	-	-	156,555
Electronics products	-	5,250	16,791	12,255	133,515
Forest products	18,623	29,301	13,016	-	31,994
Transportation equipment	2,000	16,692	26,950	22,783	29,198
Special provisions	408,742	55,732	46,369	137,414	19,666
Agricultural products	40,345	2,931	-	-	2,750
Machinery	2,159	8,544	-	15,000	1,944
Miscellaneous manufactures	189,845	223,628	30,000	115,197	1,500
Footwear	450	-	-	-	-
Textiles & apparel	1,716	-	540	44,506	-
Total	**49,298,034**	**9,323,992**	**12,223,155**	**3,084,121**	**3,470,749**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



LIBERIA

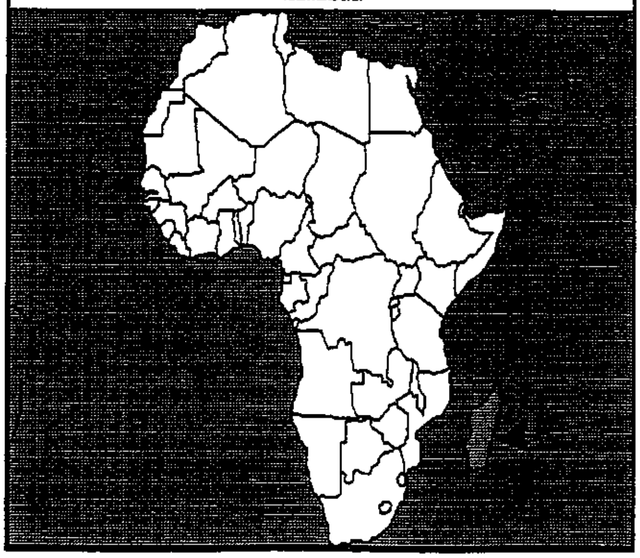
Natural Resources	Agricultural Products	Major Industries
Iron Ore	Cassava	Iron & Steel
Timber	Rice	Mining
Diamonds	Sugarcane	Palm Products
Gold	Natural Rubber	Building Materials
Fish	Bananas	Lumber Products
	Plantains	Foodstuffs
	Green Coffee	Cigarettes
	Sweet Potatoes	Beer
	Yams	Soft Drinks
	Oranges	
	Pineapples	
	Cocoa	
	Rubber	
	Palm Products	
	Sheep	
	Goats	
	Pork	

Madagascar

	1990	1991	1992	199	1994
US Exports					
Transportation equipment	$3,433,165	$1,743,298	$593,902	$976,343	$37,138,377
Electronics products	867,687	768,414	1,229,073	1,650,238	5,692,314
Agricultural products	4,047,491	7,569,995	2,381,569	3,657,197	2,213,907
Machinery	1,416,218	1,605,845	406,384	377,059	1,085,155
Special provisions	1,046,724	1,651,712	648,419	1,166,034	381,810
Minerals & metals	144,537	169,990	29,348	86,782	198,445
Forest products	70,908	327,368	7,157	13,080	195,628
Energy related products	-	27,418	30,850	-	125,288
Chemicals & related products	288,098	183,883	586,890	148,369	121,276
Miscellaneous manufactures	143,638	7,327	106,951	2,714,995	102,794
Textiles & apparel	20,640	29,696	51,003	25,355	21,714
Footwear	-	-	-	-	2,671
Total	**11,479,106**	**14,084,946**	**6,071,546**	**10,815,452**	**47,279,379**
US Imports Under GSP					
Agricultural products	4,105,308	3,158,418	5,763,949	49,000	5,894,376
Forest products	153,183	294,523	196,748	312,105	771,551
Textiles & apparel	55,900	-	28,154	426,371	565,544
Minerals & metals	75,896	37,528	25,722	470,670	339,879
Miscellaneous manufactures	93,270	100,607	141,759	79,710	108,383
Electronics products	-	-	-	-	87,410
Total	**4,483,557**	**3,591,076**	**6,156,332**	**1,337,856**	**7,767,143**
US Imports					
Agricultural products	33,958,101	42,019,340	48,219,566	36,051,726	47,108,006
Textiles & apparel	848,340	400,201	826,066	2,343,020	3,514,104
Minerals & metals	5,827,439	3,034,311	3,276,822	2,797,998	3,070,364
Chemicals & related products	320,891	615,229	675,581	713,209	1,000,133
Forest products	268,979	341,894	251,176	407,157	881,688
Miscellaneous manufactures	122,811	121,862	171,344	306,629	855,180
Special provisions	157,205	76,786	62,091	89,401	161,874
Electronics products	-	10,994	9,416	1,760	127,914
Machinery	-	-	10,987	-	-
Transportation equipment	-	1,351	-	-	-
Total	**41,503,766**	**46,621,968**	**53,503,049**	**42,710,900**	**56,719,263**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

MADAGASCAR



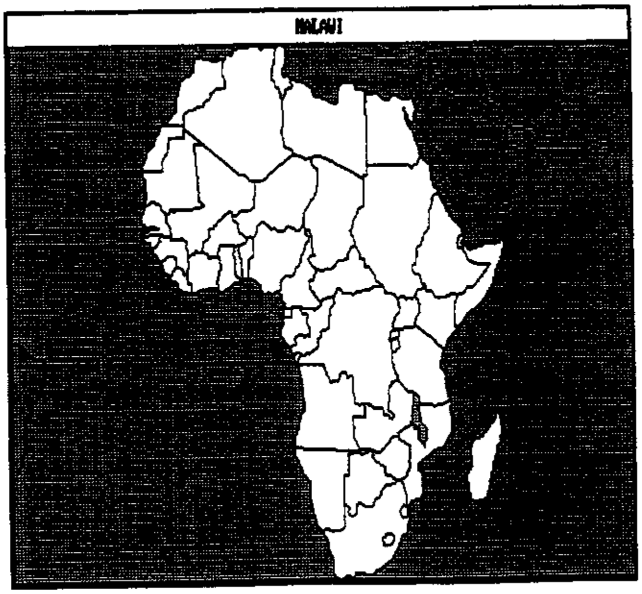
MADAGASCAR

Natural Resources	Agricultural Products	Major Industries
Graphite	Cassava	Sugar
Chromite	Rice	Cement
Coal	Sugarcane	Soap
Bauxite	Sweet Potatoes	Edible Oils
Ilmenite	Potatoes	Cigarettes
Tar Sands	Bananas	Chewing Tobacco
Gems	Mangoes	Beer
Salt	Corn	Foodstuffs
Mica	Oranges	Textiles
Gold	Coconuts	Mining
Fish	Coffee	Paper
	Pineapples	Petroleum Products
	Seed Cotton	Glass
	Peanuts	Construction
	Sisal	Tanning
	Vanilla	
	Sugar	

Malawi

	1990	1991	1992	1993	1994
US Exports					
Machinery	$1,552,563	$1,331,539	$1,091,600	$2,990,126	$4,707,549
Agricultural products	6,001,830	8,289,658	1,961,882	6,234,759	3,594,803
Special provisions	995,024	2,933,114	1,104,051	1,520,032	3,353,026
Transportation equipment	1,812,270	37,004,682	4,784,428	1,119,147	3,279,390
Electronics products	1,356,771	1,766,800	2,589,490	1,545,375	1,439,653
Forest products	438,506	994,251	746,360	1,328,844	1,291,544
Chemicals & related products	1,092,772	1,193,492	955,113	694,516	432,318
Textiles & apparel	341,556	26,688	146,251	68,010	353,097
	100,799	352,198	183,952	313,507	205,816
Miscellaneou minerals & metals s Manufactures	4,800	23,912	8,106	3,670	-
Energy related productsz	2,695	-	-	-	-
Total	**13,699,586**	**53,916,334**	**13,571,233**	**15,817,986**	**18,657,196**
US Imports Under GSP					
Agricultural products	9,619,561	5,361,976	368,278	4,705,410	3,944,089
Miscellaneous manufactures	-	40,008	6,307	6,223	5,237
Electronics products	-	-	-	-	2,000
Minerals & metals	-	7,237	-	5,649	-
Forest products	17,081	9,936	313,233	13,648	-
Total	**9,636,642**	**5,419,157**	**687,818**	**4,730,930**	**3,951,326**
US Imports					
Agricultural products	32,457,901	44,201,880	47,555,221	75,974,868	44,235,219
Textiles & apparel	4,803,106	5,679,572	7,761,875	8,176,136	3,766,384
Miscellaneous manufactures	56,965	95,678	70,590	37,180	58,799
Special provisions	79,295	70,756	705,827	26,770	18,925
Minerals & metals	2,200	9,540	-	5,649	5,941
Electronics products	26,988	3,764	-	-	2,000
Forest products	29,521	9,936	325,759	18,590	1,384
Total	**37,455,976**	**50,071,126**	**56,419,272**	**84,239,193**	**48,088,652**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



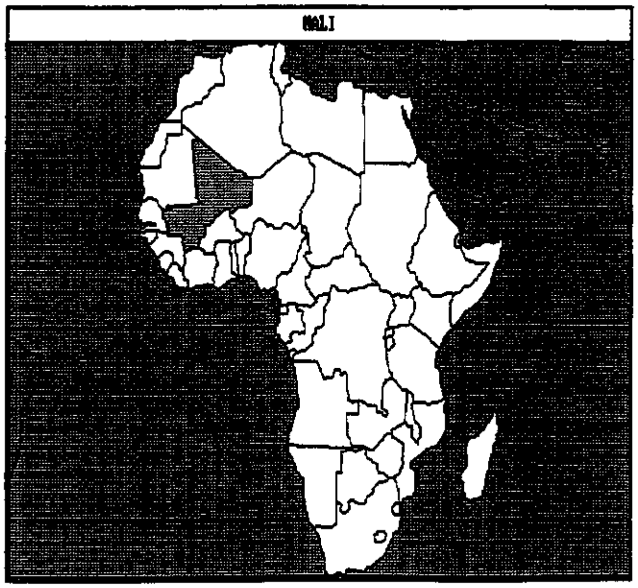
MALAWI

Natural Resources	Agricultural Products	Major Industries
Limestone	Corn	Sugar
Strontianite	Potatoes	Tea
Monazite	Peanuts	Beer
Uranium	Cassava	Cigarettes
Coal	Plantains	Blankets
Bauxite	Bananas	Consumer Goods
Fish	Dry Beans	Cement
	Tobacco	Foodstuffs
	Tea	Textiles
	Sorghum	Footwear
	Sugarcane	Tobacco Products
	Rice	
	Cotton	
	Cattle	
	Goats	
	Pork	
	Sheep	

Mali

	1990	1991	1992	1993	1994
US Exports					
Machinery	$3,609,273	$1,003,159	$242,451	$10,865,906	$8,271,251
Transportation equipment	143,419	1,474,777	700,914	9,814,875	3,338,750
Chemicals & related products	504,179	865,760	1,079,124	1,180,281	2,419,887
Textiles & apparel	476,457	1,428,691	1,554,387	1,860,871	1,699,024
Electronics products	536,321	1,198,038	1,257,197	2,061,661	987,913
Miscellaneous manufactures	6,000	82,243	23,008	417,249	782,011
Minerals & metals	211,909	51,466	48,546	3,633,627	582,800
Agricultural products	3,261,547	11,718,157	5,840,597	1,809,665	494,035
Special provisions	195,211	398,740	349,967	469,420	421,814
Forest products	31,919	73,351	69,924	334,604	11,610
Footwear	-	20,219	-	30,106	-
Total	**8,976,235**	**18,314,601**	**11,166,115**	**32,478,265**	**19,009,095**
US Imports Under GSP					
Forest products	47,085	79,261	184,295	194,414	117,053
Electronics products	-	-	-	9,664	77,250
Miscellaneous manufactures	50,194	22,498	51,872	35,140	63,786
Transportation equipment	-	-	-	-	26,236
Agricultural products	16,767	12,559	-	92,104	20,417
Chemicals & related products	-	10,376	-	-	17,710
Textiles & apparel	876	882	365	1,523	7,540
Minerals & metals	1,528	6,788	1,824	33,989	3,538
Machinery	-	-	2,235	-	-
Total	**116,450**	**132,364**	**240,591**	**366,834**	**333,530**
US Imports					
Electronics products	46,243	194,841	178,784	194,685	1,153,486
Miscellaneous manufactures	685,574	344,475	328,463	141,824	1,138,566
Special provisions	288,054	100,268	80,314	118,530	851,894
Agricultural products	156,865	321,279	151,698	118,640	321,763
Minerals & metals	200,834	71,704	18,628	42,447	204,312
Textiles & apparel	159,640	211,419	136,852	176,153	187,278
Forest products	86,008	173,053	242,585	211,794	146,331
Chemicals & related products	83,671	10,376	418,793	49,513	42,946
Transportation equipment	218,736	-	-	120,691	26,236
Machinery	-	5,722	13,421	204,144	-
Total	**1,925,625**	**1,433,137**	**1,569,538**	**1,378,421**	**4,072,812**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



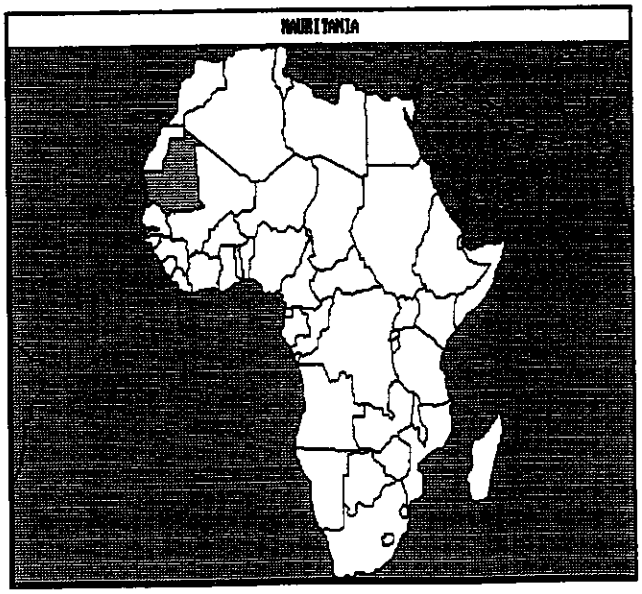
MALI

Natural Resources	Agricultural Products	Major Industries
Gold	Millet	Cotton
Phosphates	Vegetables	Meat Products
Kaolinite	Sugarcane	Soft Drinks
Salt	Corn	Cement
Limestone	Rice	Sugar
Uranium	Cotton	Hides
Bauxite	Cassava	Molasses
Iron Ore	Groundnuts	Beer
Manganese	Pulses	Foodstuffs
Tin	Sweet Potatoes	Textiles
Copper	Yams	Cigarettes
Fish	Fruits	Fish Products
	Wheat	Metal Products
	Tobacco	Construction
	Sorghum	
	Sheep	
	Goats	

Mauritania

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$6,365,886	$11,018,582	$44,049,910	$8,760,250	$3,343,575
Minerals & metals	261,337	128,317	285,505	4,379,375	1,390,160
Agricultural products	5,550,211	6,877,368	7,643,708	4,380,588	5,791,364
Machinery	1,478,101	1,226,739	4,879,564	446,798	1,278,745
Chemicals & related products	4,240	255,090	469,132	213,327	821,414
Electronics products	216,695	343,062	437,901	614,071	639,600
Special provisions	358,678	716,698	571,887	231,295	565,116
Textiles & apparel	194,207	13,155	28,040	79,046	78,266
Energy related products	-	-	61,044	61,237	21,698
Forest products	11,168	23,962	-	4,400	13,512
Miscellaneous manufactures	21,430	973,303	5,120	-	-
Total	**14,461,953**	**21,576,276**	**58,431,811**	**19,170,387**	**13,943,450**
US Imports Under GSP					
Miscellaneous manufactures	-	-	-	-	11,193
Agricultural products	-	318,472	-	-	-
Electronics products	-	2,160	-	-	-
Total	-	**320,632**	-	-	**11,193**
US Imports					
Minerals & metals	14,142,046	10,058,668	6,200,137	3,746,689	2,192,331
Energy-related products	3,063,738	-	-	1,975,814	1,239,506
Electronics products	-	4,022	3,700	15,992	59,955
Textiles & apparel	165,187	-	165,474	93,723	13,151
Miscellaneous manufactures	-	-	-	-	11,193
Special provisions	6,492,232	1,036,494	2,115,035	605,418	1,002
Agricultural products	-	318,472	54,991	13,430	-
Chemicals & related products	4,829	1,842	-	-	-
Footwear	-	-	-	423	-
Total	**23,868,032**	**11,419,498**	**8,539,337**	**6,451,489**	**3,517,138**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



MAURITANIA

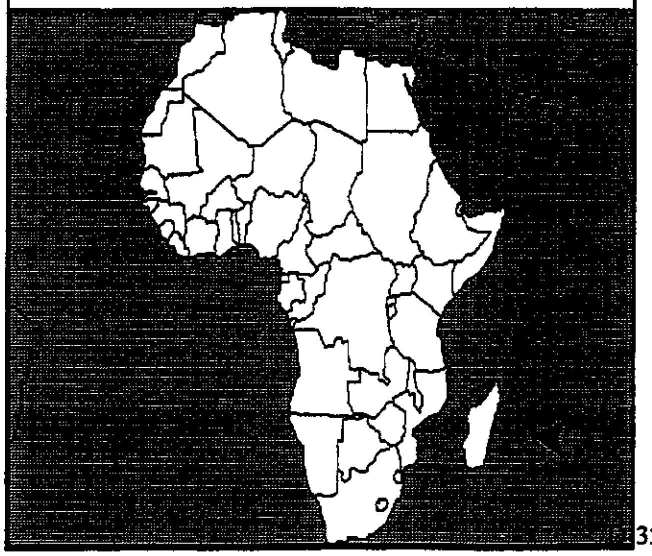
Natural Resources	Agricultural Products	Major Industries
Iron Ore	Millet	Milk
Gypsum	Pulses	Meat Products
Fish	Rice	Hides & Skins
Copper	Vegetables	Cheese
Phosphates	Dates	Butter
	Corn	Mining
	Sweet Potatoes	Fish Products
	Peanuts	
	Wheat	
	Sheep	
	Goats	
	Cattle	
	Camels	
	Horses	
	Asses	
	Chickens	
	Roundwood	

Mauritius

	1990	1991	1992	1993	1994
US Exports					
Machinery	$3,009,230	$3,560,907	$4,993,086	$3,577,211	$8,250,805
Electronics Products	1,975,064	4,421,995	5,412,222	3,459,781	4,098,708
Textiles & Apparel	518,011	392,877	861,891	1,019,649	1,125,543
Chemicals & Related Products	933,881	748,776	1,181,599	530,142	992,013
Special Provisions	343,907	440,419	640,891	678,282	866,676
Energy Related Products	33,000	56,083	158,469	164,865	850,206
Forest Products	318,175	435,305	864,552	948,994	733,950
Transportation Equipment	1,183,046	2,068,908	2,832,637	2,080,763	706,113
Agricultural Products	822,407	485,165	788,702	900,750	510,461
Miscellaneous Manufactures	2,069,634	1,003,194	891,962	716,764	470,948
Minerals & Metals	289,435	271,586	463,345	889,295	381,270
Total	**11,495,790**	**13,885,215**	**19,089,356**	**14,966,496**	**18,986,693**
US Imports Under GSP					
Agricultural Products	17,624,045	13,557,449	917,695	10,897,343	8,836,881
Electronics Products	2,848,638	3,712,181	4,006,105	4,659,509	4,829,703
Miscellaneous Manufactures	2,350,015	2,252,459	2,143,691	2,433,939	1,789,166
Minerals & Metals	47,286	89,993	172,929	150,103	107,402
Chemicals & Related Products	39,195	33,294	8,911	8,529	61,858
Forest Products	34,259	16,176	90,162	20,277	51,645
Textiles & Apparel	-	600	2,250	-	6,069
Machinery	1,651	-	43,465	-	-
Transportation Equipment	6,808	-	-	-	-
Total	**22,951,897**	**19,662,152**	**7,385,208**	**18,169,700**	**15,682,724**
US Imports					
Textiles & Apparel	122,865,561	99,495,903	115,347,500	162,338,875	187,298,157
Electronics Products	5,678,914	6,589,285	9,757,863	11,827,098	10,903,406
Agricultural Products	22,122,339	18,003,902	2,534,127	14,512,253	10,540,626
Minerals & Metals	870,244	1,365,103	1,718,309	1,740,796	3,552,812
Miscellaneous Manufactures	3,643,046	3,278,582	4,533,587	3,988,420	2,110,973
Machinery	418,010	501,058	207,028	386,290	994,934
Special Provisions	726,057	782,999	453,408	858,789	835,808
Transportation Equipment	959,366	133,287	69,783	230,904	263,504
Chemicals & Related Products	451,708	994,141	1,915,535	89,337	129,563
Forest Products	357,409	116,053	277,713	54,582	114,889
Footwear	-	144,274	32,431	412,264	24,245
Energy-related Products	-	1,400	-	-	-
Total	**158,092,654**	**131,405,987**	**136,847,284**	**196,439,608**	**216,768,917**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.
Mauritius is an island located approximately 650 miles from the central coast of Madagascar.

MAURITIUS



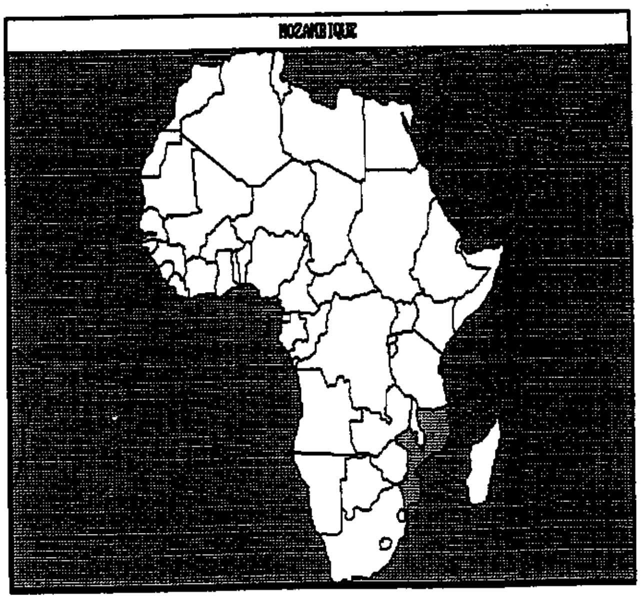
MAURITIUS

Natural Resources	Agricultural Products	Major Industries
Fish	Sugarcane Tea Potatoes Bananas Tomatoes Corn Cabbages Onions Groundnuts Tobacco Goats Cattle Pork Sheep Roundwood	Textiles Clothing Footwear Foodstuffs Alcoholic Beverages Soft Drinks Tobacco Chemical Products Metal Products Sugar Consumer Goods Vehicles Machinery Tourism

Mozambique

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$30,611,645	$21,869,587	$69,543,224	$24,768,060	$19,482,602
Transportation equipment	5,361,870	64,251,672	72,276,357	2,332,848	6,979,844
Electronics products	3,340,602	6,351,015	2,540,933	3,269,093	4,381,355
Textiles & apparel	2,074,949	2,073,829	792,776	3,889,033	2,749,458
Machinery	2,336,649	1,804,919	1,167,345	2,154,547	2,106,571
Chemicals & related products	1,211,958	524,161	1,964,640	1,625,225	1,848,126
Special provisions	4,566,033	3,063,536	1,197,843	1,049,041	1,339,853
Minerals & metals	312,485	618,367	84,842	138,087	193,400
Forest products	45,702	53,500	32,849	19,191	141,552
Energy related products	280,375	99,864	17,310	54,720	38,349
Miscellaneous manufactures	-	145,524	7,494	66,567	10,694
Footwear	-	-	5,347	-	-
Total	50,142,268	100,855,974	149,630,960	39,366,412	39,271,804
US Imports Under GSP					
Agricultural products	8,797,813	9,764,975	7,265,073	-	17,156,461
Minerals & metals	123,724	108,969	93,007	106,505	64,582
Chemicals & related products	3,952	-	60,149	-	-
Miscellaneous manufactures	-	-	1,950	-	-
Forest products	13,178	-	-	-	-
Total	8,938,667	9,873,944	7,420,179	106,505	17,221,043
US Imports					
Agricultural products	19,659,737	21,536,629	18,507,465	6,581,489	19,762,791
Textiles & apparel	5,461,019	599,167	78,061	1,425,187	464,547
Special provisions	2,678,603	290,763	305,419	169,928	218,998
Miscellaneous manufactures	20,439	10,700	28,737	3,850	165,281
Minerals & metals	123,724	110,797	93,007	107,835	147,202
Forest products	81,111	11,750	-	35,293	20,583
Transportation equipment	347,196	-	196,719	4,250	10,999
Electronics products	2,951	97,487	33,727	-	5,745
Footwear	-	-	33,879	-	-
Energy-related products	-	2,798	-	-	-
Chemicals & related products	3,952	-	60,149	820	-
Machinery	764,761	25,360	32,099	21,387	-
Total	29,143,493	22,685,451	19,369,262	8,350,039	20,796,146

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



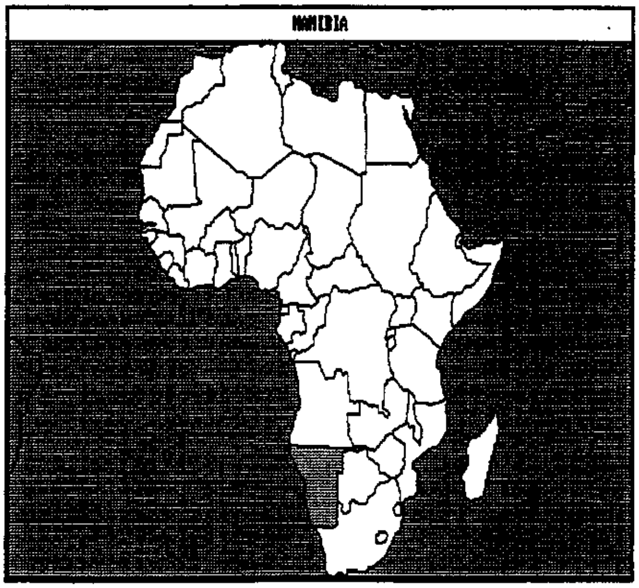
MOZAMBIQUE

Natural Resources	Agricultural Products	Major Industries
Coal	Cassava	Foodstuffs
Iron Ore	Sugarcane	Fish Products
Natural Gas	Coconuts	Textiles
Copper	Corn	Tobacco
Bauxite	Sorghum	Textiles
Titanium	Bananas	Machinery
Diamonds	Cashews	Vehicles
Salt	Tea	Electrical Products
Lime	Cotton	Footwear
Bentonite	Copra	Clothing
Garnet	Sisal	Alcoholic Beverages
Fish	Rice	Chemicals
	Vegetables	Soft Drinks
	Cattle	Petroleum Products
	Goats	
	Pork	
	Sheep	

Namibia

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$23,180,466	$17,522,344	$20,871,328	$3,694,284	$5,492,524
Electronics products	1,313,504	1,489,865	1,788,871	3,794,445	5,297,565
Special provisions	4,662,676	3,693,379	3,375,830	1,595,846	2,885,777
Agricultural products	166,776	145,436	2,405,323	9,589,912	1,161,214
Machinery	14,832,995	8,779,069	4,795,845	177,930	492,541
Chemicals & related products	111,184	147,475	168,920	339,501	368,134
Miscellaneous manufactures	-	11,340	108,805	49,196	206,129
Textiles & apparel	19,275	42,413	87,495	92,008	173,308
Minerals & metals	15,591	58,780	28,517	67,383	76,704
Forest products	35,360	72,227	50,595	197,064	34,464
Energy related products	-	346,560	10,623	-	-
Total	44,337,827	32,308,888	33,692,152	19,597,569	16,188,360
US Imports Under GSP					
Minerals & metals	-	-	8,230,775	-	4,557,765
Agricultural products	-	292,500	3,203,931	3,582,525	1,908,699
Forest products	-	-	-	-	3,465
Chemicals & related products	-	-	17,333	-	-
Textiles & apparel	-	11,404	21,339	3,002	-
Miscellaneous manufactures	-	-	5,930	-	-
Total	-	303,904	11,479,308	3,585,527	6,469,929
US Imports					
Energy-related products	30,442,494	30,507,360	31,831,710	9,054,666	15,436,365
Minerals & metals	683,198	249,218	8,947,048	934,472	8,088,998
Agricultural products	481,989	2,954,754	5,077,296	7,635,583	5,238,243
Special provisions	1,453,675	1,425,051	2,167,849	3,862,725	800,303
Forest products	22,268	-	4,038	1,281	166,513
Electronics products	-	4,041	406,700	8,752	119,303
Textiles & apparel	23,408	185,058	39,103	61,075	117,331
Transportation equipment	13,509	-	-	11,923	106,119
Chemicals & related products	157,671	14,188	19,081	10,742	59,538
Miscellaneous manufactures	21,040	106,022	98,099	445,026	21,349
Footwear	-	2,226	1,650	-	17,861
Machinery	-	-	2,453	1,402	4,282
Total	33,299,252	35,447,918	48,595,027	22,027,647	30,176,205

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



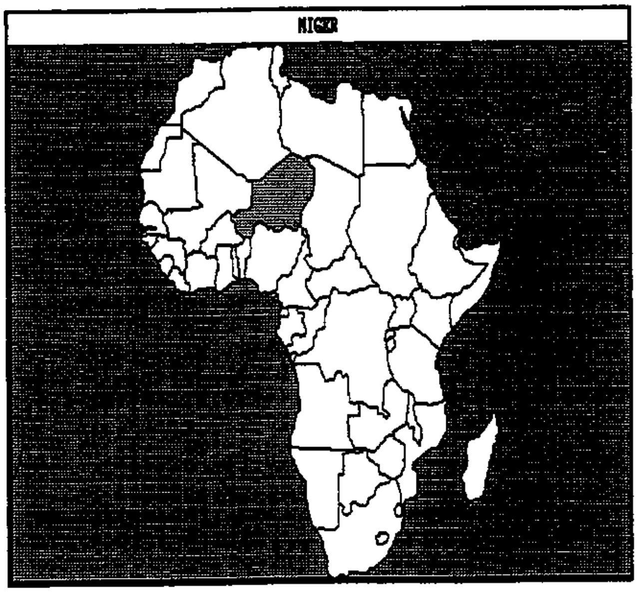
NAMIBIA

Natural Resources	Agricultural Products	Major Industries
Diamonds	Roots & Tubers	Foodstuffs
Copper	Corn	Beverages
Uranium	Millet	Metal Products
Lead	Fruits	Lumber
Tin	Vegetables	Chemicals
Zinc	Melons	Printing
Salt	Sorghum	Mining
Vanadium	Pulses	Manufacturing
Fish	Wool	Publishing
Gold	Karakul Pelts	
Silver	Cattle	
	Sheep	
	Goats	

Niger

	1990	1991	1992	1993	1994
US Exports					
Textiles & apparel	$1,499,666	$1,848,765	$2,854,578	$2,071,611	$4,972,232
Chemicals & related products	782,961	1,096,598	2,317,213	4,274,971	1,840,052
Transportation equipment	1,745,159	472,477	1,053,116	1,913,526	1,658,521
Agricultural products	5,149,597	4,333,325	2,818,919	2,016,419	1,078,391
Electronics products	939,171	682,327	1,709,239	1,217,968	1,067,393
Special provisions	1,237,352	809,906	1,019,305	969,012	457,295
Machinery	140,773	848,722	278,925	2,909,957	326,317
Forest products	45,231	10,538	266,026	192,422	289,195
Miscellaneous manufactures	-	47,958	91,025	70,991	124,748
Minerals & metals	708,801	173,832	111,882	144,300	78,226
Footwear	-	2,698	6,165	31,646	12,985
Energy related products	20,551	-	22,500	-	-
Total	12,269,262	10,327,146	12,548,893	15,812,823	11,905,355
US Imports Under GSP					
Miscellaneous manufactures	8,551	17,324	-	15,175	14,400
Textiles & apparel	-	-	-	-	1,940
Agricultural products	1,923	-	-	-	-
Minerals & metals	2,325	-	-	-	-
Total	12,799	17,324	-	15,175	16,340
US Imports					
Energy-related products	325,181	1,474,200	-	2,489,513	1,948,043
Agricultural products	800,602	42,958	19,886	141,276	807,767
Textiles & apparel	68,207	49,778	25,076	408,003	540,831
Miscellaneous manufactures	112,281	25,038	414,974	42,886	313,742
Transportation equipment	37,238	318,157	13,956	28,274	191,840
Machinery	51,025	86,609	262,278	146,564	188,044
Special provisions	43,687,019	1,553,329	1,033,112	942,523	152,810
Chemicals & related products	342,115	246,936	620,240	1,079,030	62,223
Electronics products	24,919	767,360	129,275	416,995	33,258
Minerals & metals	162,089	54,961	37,850	20,803	12,612
Forest products	431,131	248,702	327,501	-	8,130
Footwear	-	-	-	-	360
Total	46,041,807	4,868,028	2,884,148	5,715,867	4,259,660

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



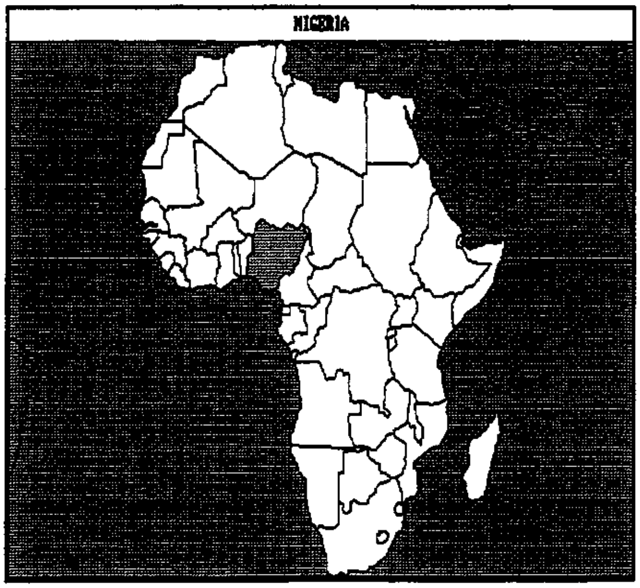
NIGER

Natural Resources	Agricultural Products	Major Industries
Uranium	Millet	Cement
Coal	Sorghum	Beverages
Iron Ore	Pulses	Beer
Tin	Roots & Tubers	Cotton Products
Phosphates	Vegetables	Light Manufacturing
Fish	Melons	Bricks
	Onions	Foodstuffs
	Sugarcane	
	Rice	
	Peanuts	
	Corn	
	Wheat	
	Cotton	
	Tobacco	
	Beans	
	Cowpeas	
	Goats	

Nigeria

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$233,607,585	$418,435,308	$428,459,856	$282,807,981	$203,035,030
Machinery	59,161,505	87,540,940	179,313,585	162,301,878	95,814,257
Agricultural products	35,265,115	35,588,684	68,617,907	141,634,429	68,772,469
Electronics products	52,087,449	62,686,598	83,514,331	85,098,033	37,689,236
Chemicals & related products	83,916,244	105,236,276	91,866,747	68,248,004	36,376,964
Minerals & metals	23,485,847	48,775,402	53,333,478	43,010,090	21,868,385
Textiles & apparel	15,286,120	17,598,988	21,623,225	21,241,871	16,359,471
Special provisions	11,092,779	13,147,182	13,368,112	14,258,490	8,441,752
Forest products	9,322,928	13,624,213	14,351,777	9,059,871	6,697,975
Energy related products	15,969,495	14,825,792	18,205,566	36,718,360	2,741,034
Miscellaneous manufactures	2,799,714	6,467,414	7,001,862	10,502,889	2,590,865
Footwear	324,534	161,216	495,781	323,791	199,908
Total	**542,319,315**	**824,088,013**	**980,152,227**	**875,205,687**	**500,587,346**
US Imports					
Energy-related products	5,933,694,908	5,321,193,423	5,026,406,963	5,230,546,570	4,529,937,977
Agricultural products	26,901,762	31,739,309	20,693,974	33,203,361	30,200,624
Chemicals & related products	8,954,477	12,785,749	16,189,760	30,071,232	27,620,899
Special provisions	2,167,841	2,430,698	2,735,473	11,560,022	4,476,628
Miscellaneous manufactures	424,058	414,126	325,780	576,037	1,249,250
Textiles & apparel	5,528,287	3,011,526	1,504,128	786,629	1,041,412
Forest products	724,735	1,229,063	884,501	2,007,496	437,699
Transportation equipment	101,794	81,295	1,418,233	216,716	172,092
Electronics products	100,551	228,893	80,369	96,892	52,579
Footwear	-	-	-	19,444	704
Minerals & metals	144,877	589,332	945,899	384,037	174,634
Machinery	59,963	-	15,561	1,861	-
Total	**5,978,803,253**	**5,373,703,414**	**5,071,200,641**	**5,309,470,297**	**4,595,189,864**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



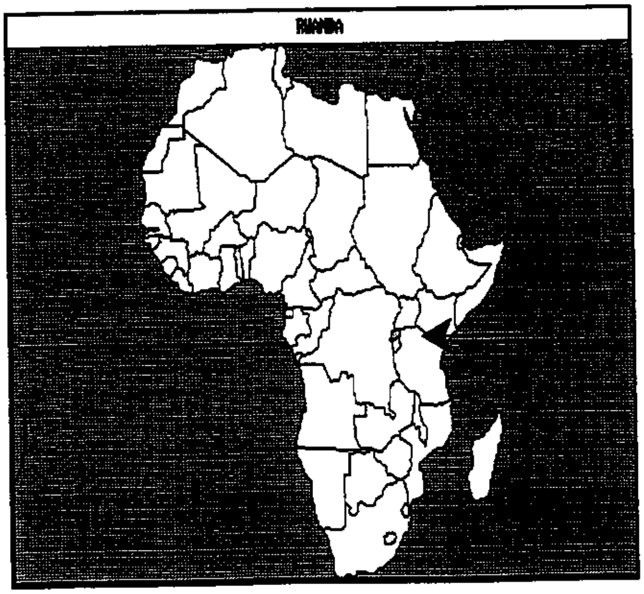
NIGERIA

Natural Resources	Agricultural Products	Major Industries
Petroleum	Sorghum	Beverages
Tin	Yams	Tobacco
Columbite	Millet	Vehicles
Iron Ore	Cassava	Foodstuffs
Coal	Corn	Textiles
Limestone	Plantains	Chemicals
Lead	Sugarcane	Pharmaceuticals
Zinc	Palm Products	Rubber
Natural Gas	Beans	Iron & Steel
Marble	Rubber	Printing
Fish	Melons	Footwear
	Cocoa	Building Materials
	Wheat	Lumber
	Soybeans	
	Peanuts	
	Cotton	
	Grains	

Rwanda

	1990	1991	1992	1993	1994
US Exports					
Minerals & metals	$1,006,875	$891,822	$2,346,815	$3,501,705	$1,412,545
Agricultural products	29,562,898	5,657,575	2,435,196	576,070	162,931
Electronics products	81,003	1,723	1,800	-	66,947
Miscellaneous manufactures	-	464,324	-	-	8,626
Special provisions	97,265	24,379	17,458	11,214	7,368
Forest products	4,196	14,840	-	-	4,145
Transportation equipment	-	5,127	-	-	-
Textiles & apparel	500	1,404	600	-	-
Machinery	-	-	2,847	-	-
Chemicals & related products	126,408	206,309	-	5,000	-
Total	**30,879,145**	**7,267,503**	**4,804,716**	**4,093,989**	**1,662,562**
US Imports Under GSP					
Forest products	4,196	14,840	-	-	-
Minerals & metals	-	839,963	221,583	366,374	-
Miscellaneous manufactures	-	1,335	-	-	-
Total	**4,196**	**856,138**	**221,583**	**366,374**	-
US Imports	42,240	-	7,700	5,315,646	30,366,838
Electronics products	214,017	455,672	365,046	293,488	1,913,576
Special provisions	296,717	338,779	372,313	279,440	1,221,005
Machinery	31,266	13,541	86,362	11,147	822,349
Chemicals & related products	249,197	189,437	542,433	474,832	139,598
Transportation equipment	44,933	107,906	13,041	91,693	109,205
Textiles & apparel	29,971	181,451	1,052,598	483,669	24,356
Forest products	19,431	-	5,318	23,388	2,576
Miscellaneous manufactures	8,714	10,300	-	9,690	-
Minerals & metals	39,139	4,752	3,498	36,817	-
Total	**975,625**	**1,301,838**	**2,448,309**	**7,019,810**	**34,599,503**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



RWANDA

Natural Resources	Agricultural Products	Major Industries
Cassiterite	Plantains	Cement
Wolframite	Sweet Potatoes	Metal Products
Gold	Cassava	Lye Soap
Natural Gas	Potatoes	Sugar
Hydroelectric Power	Sorghum	Beer
Fish	Corn	Lemonade
	Coffee	Footwear
	Tea	Cigarettes
	Tobacco	Mining
	Pyrethrum	Furniture
	Cinchona	Plastics
	Bananas	Textiles
	Goats	
	Cattle	
	Sheep	
	Pork	
	Roundwood	

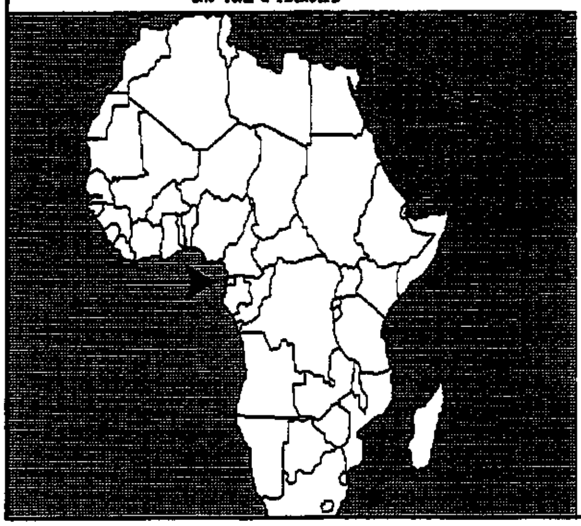
São Tomé and Principe

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$10,689,844	$3,161,443	$720,360	$137,747	$4,892,582
Machinery	-	-	431,514	292,361	3,135,037
Electronics products	39,197	27,609	109,275	1,022,647	2,712,719
Minerals & metals	-	-	37,450	86,148	1,067,595
Miscellaneous manufactures	-	-	-	-	371,761
Forest products	-	31,300	56,300	20,198	341,504
Special provisions	1,807,644	772,826	701,016	769,762	265,436
Agricultural products	461,566	264,308	531,480	108,192	219,964
Energy related products	-	-	3,960	-	9,431
Chemicals & related products	-	173,700	91,940	74,871	8,183
Textiles & apparel	-	10,507	-	-	-
Total	**12,998,251**	**4,441,693**	**2,683,295**	**2,511,926**	**13,024,212**
US Imports					
Special provisions	24,134	-	5,668	515,681	5,000
Transportation equipment	-	-	2,713	-	4,814
Chemicals & related products	-	-	13,932	-	3,100
Electronics products	1,969	-	345,214	74,247	1,970
Textiles & apparel	37,976	883	-	69,001	-
Miscellaneous manufactures	-	-	29,265	-	-
Forest products	-	-	-	3,482	23,950
Agricultural products	16,236	-	4,661	12,644	-
Total	**80,315**	**883**	**401,453**	**675,055**	**38,834**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

São Tomé and Principe are islands located in the Gulf of Guinea.

SAO TOME & PRINCIPE



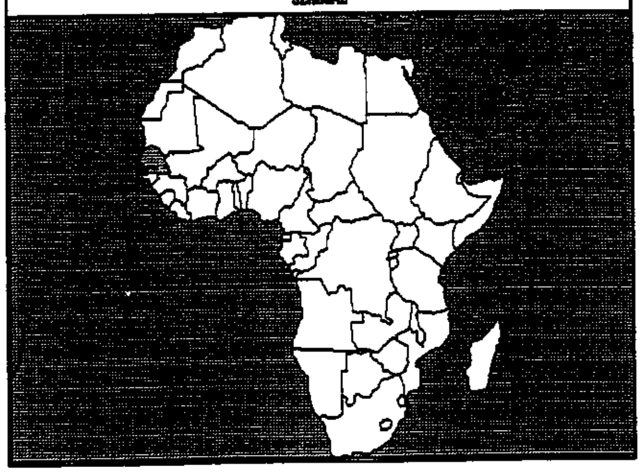
SAO TOME & PRINCIPE

Natural Resources	Agricultural Products	Major Industries
Fish Shrimp	Coconuts Cocoa Copra Fruits Melons Cassava Bananas Palm Products Vegetables Limes Grains Taros Coffee Goats Cattle Pork	Bread Soap Edible Oils Ice Flour Lumber Beer Bottled Water Soft Drinks Clothing Bricks Clay

Senegal

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$19,801,191	$28,570,875	$24,079,589	$41,442,012	$16,645,358
Chemicals & related products	5,666,477	11,673,807	16,884,336	5,686,233	7,567,046
Transportation equipment	8,440,274	11,366,127	8,758,561	5,589,753	5,741,125
Electronics products	2,643,728	10,278,004	9,294,861	2,476,582	2,694,023
Textiles & apparel	5,869,413	3,816,157	6,246,847	3,740,602	2,689,570
Machinery	2,455,208	5,796,161	5,757,331	3,581,427	2,637,751
Special provisions	1,641,511	2,172,973	4,342,341	5,389,085	2,096,458
Energy related products	5,101,398	89,072	149,667	129,640	1,584,270
Forest products	387,934	613,835	711,907	100,771	357,272
Miscellaneous manufactures	55,315	1,229,746	420,706	241,064	113,454
Minerals & metals	162,799	72,373	175,835	433,961	54,955
Footwear	3,000	83,827	13,745	92,860	-
Total	**52,228,248**	**75,762,957**	**76,835,726**	**68,903,990**	**42,181,282**
US Imports Under GSP					
Agricultural products	719,762	1,890,810	1,220,187	295,628	1,066,293
Miscellaneous manufactures	127,069	485,264	1,045,261	397,202	249,881
Machinery	-	-	-	-	28,672
Electronics products	-	3,740	119,154	9,080	23,572
Forest products	1,950	2,940	4,803	6,360	7,562
Minerals & metals	-	7,908	5,255	-	-
Textiles & apparel	-	-	954	-	-
Total	**848,781**	**2,390,662**	**2,395,614**	**708,270**	**1,375,980**
US Imports					
Agricultural products	306,983	867,329	1,081,206	1,258,338	4,611,397
Energy-related	-	2,975,952	2,397,225	2,702,665	2,675,619
Miscellaneous manufactures	262,657	662,631	1,074,756	998,294	1,636,930
Agricultural products	1,823,068	3,128,489	2,133,369	495,212	1,187,708
Electronics products	1,123,558	646,296	916,221	396,494	578,707
Chemicals & related products	20,609	1,449	17,349	6,001	503,116
Textiles & apparel	288,119	684,120	1,516,669	1,517,793	72,743
Machinery	25,972	1,310,291	95,015	67,766	69,705
Forest products	184,901	75,050	901,589	11,724	56,624
Minerals & metals	285,587	1,305,582	16,667	-	26,896
Transportation equipment	56,935	-	21,201	39,719	9,076
Footwear	1,804	-	18,441	2,290	275
Total	**4,380,193**	**11,657,189**	**10,189,708**	**7,496,296**	**11,428,796**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



SENEGAL

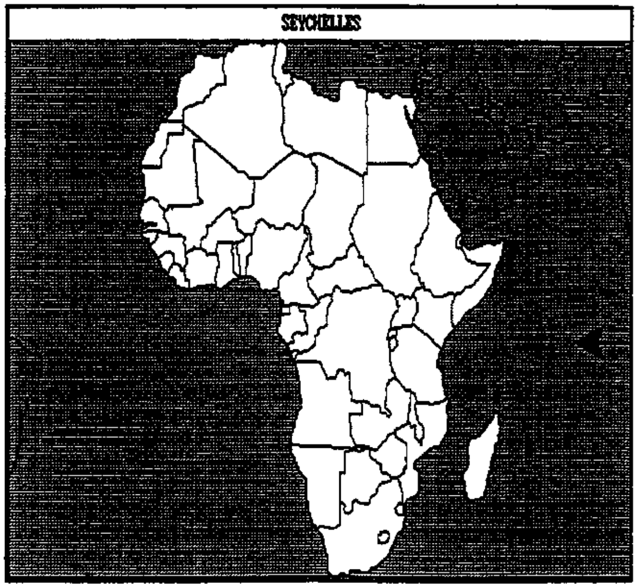
Natural Resources	Agricultural Products	Major Industries
Fish	Sugarcane	Peanut Products
Phosphates	Groundnuts	Flour
Iron Ore	Millet	Fertilizer
	Sorghum	Sugar
	Paddy Rice	Soap
	Beans	Fish Products
	Corn	Cotton Products
	Cotton	Soft Drinks
	Cassava	Beer
	Rice	Footwear
	Sheep	Foodstuffs
	Cattle	Phosphates
	Goats	Mining
	Pork	Building Materials
	Roundwood	Petroleum Products

Seychelles

	1990	1991	1992	1993	1994
US Exports					
Electronics products	$515,183	$829,514	$1,281,314	$5,557,346	$3,659,080
Transportation equipment	270,851	125,440	310,406	57,452,311	1,280,421
Miscellaneous manufactures	5,824	91,589	21,135	211,017	248,310
Machinery	495,389	408,120	177,179	116,078	209,516
Chemicals & related products	496,867	25,905	40,232	140,559	202,817
Special provisions	178,102	146,292	186,037	618,051	185,990
Agricultural products	71,401	160,887	139,610	90,694	151,099
Minerals & metals	32,847	39,794	52,009	230,900	114,445
Forest products	12,539	24,810	19,169	30,199	2,650
Textiles & apparel	106,172	5,408	19,626	27,603	-
Energy related products	41,140	-	-	-	-
Total	**2,226,315**	**1,857,759**	**2,246,717**	**64,474,758**	**6,054,328**
US Imports Under GSP					
Electronics products	-	2,794	-	-	-
Agricultural products	11,481	-	-	-	-
Total	**11,481**	**2,794**	-	-	-
US Imports					
Special provisions	396,216	511,883	454,080	4,128,938	2,108,975
Electronics products	43,162	213,001	4,735	19,825	842,440
Agricultural products	46,132	83,315	116,052	64,618	237,390
Chemicals & related products	4,414	24,439	22,516	2,728	126,189
Machinery	-	8,169	416,140	60,922	32,000
Forest products	45,759	-	42,724	-	15,210
Textiles & apparel	73,019	203,418	142,162	48,060	14,952
Miscellaneous manufactures	5,038	6,682	-	154,444	2,700
Minerals & metals	96,502	2,596	-	5,110	1,902
Transportation equipment	-	16,320	-	-	-
Total	**710,242**	**1,069,823**	**1,198,409**	**4,484,645**	**3,381,758**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

The Seychelles is an archipelago of approximately 115 islands, the largest of which is located about 1,200 miles due east of Mombassa, Kenya.



SEYCHELLES

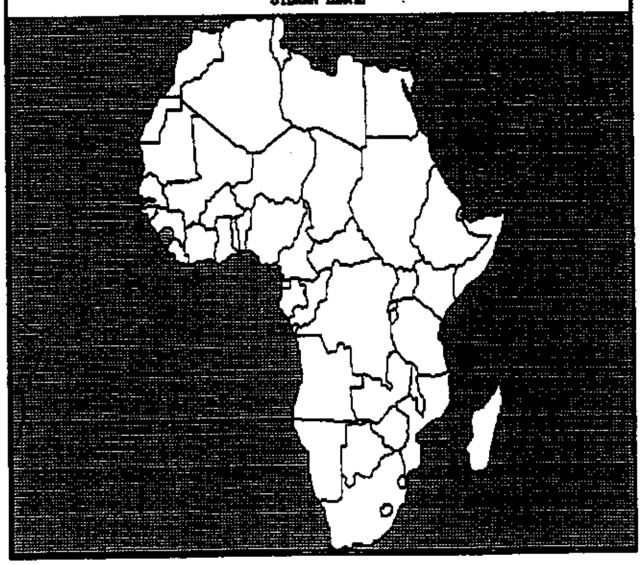
Natural Resources	Agricultural Products	Major Industries
Fish Guano	Coconuts Copra Bananas Cinnamon Tea Sweet Potatoes Cassava Sugar Vanilla Pork Goats Cattle Chickens	Beer Soft Drinks Cigarettes Printing Furniture Boat Building Tourism Coconut Products

Sierra Leone

	1990	1991	1992	1993	1994
US Exports					
Agricultural Products	$7,362,747	$7,058,894	$14,070,127	$6,652,726	$10,037,083
Machinery	6,023,495	3,853,279	3,250,718	2,602,682	3,183,764
Textiles & Apparel	2,133,602	3,042,531	2,704,661	3,860,775	2,803,382
Minerals & Metals	2,536,927	1,309,727	990,297	578,625	2,348,102
Special Provisions	2,576,193	2,954,364	3,317,583	2,054,103	1,531,821
Electronics Products	1,356,512	932,285	878,876	749,944	1,012,308
Chemicals & Related Products	1,675,239	1,890,196	1,233,836	1,068,331	943,999
Transportation Equipment	1,896,145	1,945,475	902,012	2,301,405	894,390
Energy Related Products	560,340	258,516	513,759	310,314	672,641
Miscellaneous Manufactures	75,366	167,744	75,388	112,248	265,148
Footwear	-	7,500	22,136	136,389	281,562
Forest Products	187,293	94,636	29,048	119,781	90,288
Total	**26,383,859**	**23,515,147**	**27,988,441**	**20,547,323**	**24,064,488**
US Imports Under GSP					
Machinery	-	-	334,248	43,466	3,992,424
Chemicals & Related Products	-	-	434,961	686,934	1,562,636
Miscellaneous Manufactures	-	5,000	482,510	180,735	232,229
Minerals & Metals	-	-	41,593	410,053	121,658
Agricultural Products	52,883	37,708	68,230	39,795	56,957
Forest Products	-	-	3,000	-	3,830
Textiles & Apparel	110,758	-	-	-	-
Total	**163,641**	**42,708**	**1,364,542**	**1,360,983**	**5,969,734**
US Imports					
Minerals & Metals	43,334,560	46,887,481	55,884,273	42,875,433	44,816,606
Machinery	-	-	575,775	43,466	4,022,272
Chemicals & Related Products	-	-	520,460	1,288,954	1,568,446
Agricultural Products	1,533,276	740,463	1,481,076	1,562,200	364,416
Miscellaneous Manufactures	-	23,190	1,329,494	365,929	300,400
Transportation Equipment	1,667	-	6,009	104,924	254,203
Textiles & Apparel	136,057	305	11,598	58,769	66,271
Forest Products	-	-	4,599	92,433	49,832
Special Provisions	945,689	101,319	81,822	22,297	24,691
Electronics Products	4,871	-	8,730	10,048	1,750
Footwear	-	1,500	949,107	900,735	-
Total	**45,956,120**	**47,754,258**	**60,852,943**	**47,325,188**	**51,468,887**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

SIERRA LEONE



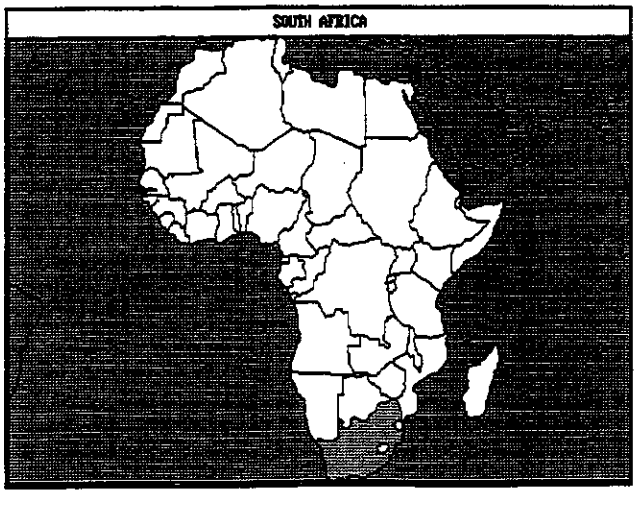
SIERRA LEONE

Natural Resources	Agricultural Products	Major Industries
Diamonds	Rice	Salt
Rutile	Cassava	Nails
Bauxite	Sugarcane	Paints
Iron Ore	Palm Products	Beer
Chromite	Pulses	Cigarettes
Gold	Millet	Construction
Fish	Taros	Tourism
	Sorghum	Mining
	Groundnuts	Light Manufacturing
	Sweet Potatoes	Petroleum Products
	Corn	Lumber Products
	Cocoa	Plastic Footwear
	Coffee	
	Ginger	
	Piassava	
	Bananas	
	Citrus Fruit	

South Africa

	1990	1991	1992	1993	1994
US Exports					
Electronics products	$316,944,097	$360,564,541	$380,510,977	$417,934,612	$474,378,632
Transportation equipment	372,506,379	620,456,640	467,615,002	495,806,521	337,407,377
Chemicals & related products	289,874,896	314,522,451	303,120,109	277,113,841	325,700,636
Machinery	230,648,063	250,561,867	280,746,391	266,805,663	315,662,417
Agricultural products	91,439,125	83,959,660	472,742,562	250,137,207	158,396,940
Forest products	121,464,520	123,101,827	125,902,432	133,438,856	129,213,674
Special provisions	76,141,119	90,392,632	113,656,485	98,728,842	107,760,749
Energy related products	60,714,133	74,661,299	77,829,271	70,932,303	91,636,215
Minerals & metals	61,801,748	72,351,048	92,220,504	65,863,768	83,244,706
Miscellaneous manufactures	17,934,504	25,738,828	25,260,016	23,146,106	42,911,562
Textiles & apparel	34,861,089	42,879,313	41,520,338	41,287,582	42,122,869
Footwear	1,343,531	1,312,826	2,146,175	3,265,100	6,448,975
Total	**1,675,673,204**	**2,060,502,932**	**2,383,270,262**	**2,144,460,401**	**2,114,884,752**
US Imports Under GSP					
Minerals & metals	-	-	-	-	94,168,551
Chemicals & related products	-	-	-	-	26,959,410
Machinery	-	-	-	-	17,084,825
Agricultural products	-	-	-	-	16,636,573
Transportation equipment	-	-	-	-	11,270,371
Forest products	-	-	-	-	6,304,731
Miscellaneous manufactures	-	-	-	-	4,766,529
Electronics products	-	-	-	-	2,608,761
Textiles & apparel	-	-	-	-	1,303,021
Footwear	-	-	-	-	115,388
Total	-	-	-	-	**181,218,160**
US Imports					
Minerals & metals	1,495,092,748	1,517,310,261	1,383,724,284	1,433,647,748	1,526,800,560
Agricultural products	3,609,488	6,520,907	66,686,751	97,028,807	119,160,751
Chemicals & related products	50,331,315	52,971,136	64,525,949	73,306,086	92,612,884
Textiles & apparel	605,865	2,799,390	24,753,273	37,669,016	61,604,540
Forest products	67,990,299	57,058,092	54,779,401	48,600,421	53,899,441
Special provisions	19,150,622	31,407,170	32,854,080	56,870,507	49,658,188
Machinery	34,162,943	33,289,058	31,068,562	33,125,107	37,028,012
Transportation equipment	11,956,342	15,597,913	19,602,325	26,187,448	31,556,305
Energy-related products	7,699,290	4,582,928	33,384,837	32,335,898	23,733,099
Miscellaneous manufactures	4,593,126	5,318,566	5,167,595	6,829,704	11,620,683
Electronics products	2,447,728	1,768,359	2,725,429	4,249,625	9,582,714
Footwear	54,520	356,872	627,412	1,195,124	2,443,457
Total	**1,697,694,286**	**1,728,980,652**	**1,719,899,898**	**1,851,045,491**	**2,019,700,634**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



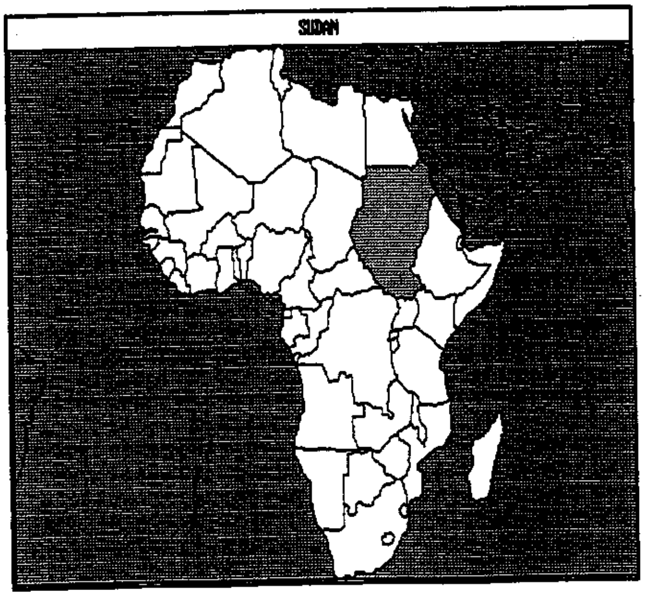
SOUTH AFRICA

Natural Resources	Agricultural Products	Major Industries
Gold	Sugarcane	Metal Products
Chromite	Corn	Chemicals
Antimony	Wheat	Foodstuffs
Coal	Wool	Beverages
Iron Ore	Dairy Products	Machinery
Manganese	Tobacco	Vehicles
Nickel	Citrus Fruit	Textiles
Phosphates	Sheep	Printing
Tin	Cattle	Clothing
Uranium	Roundwood	Mining
Diamonds		Fertilizer
Platinum		Publishing
Copper		
Vanadium		
Salt		
Natural Gas		
Silver		

Sudan

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$13,394,414	$52,733,649	$13,521,309	$23,741,779	$38,160,653
Machinery	10,734,095	10,243,067	8,754,238	10,764,278	6,856,285
Transportation equipment	4,080,198	17,408,847	20,894,136	9,417,246	4,108,691
Electronics products	5,067,900	5,510,816	5,230,890	6,055,162	3,014,773
Special provisions	5,510,916	2,490,261	1,266,987	829,136	890,204
Chemicals & related products	716,227	1,863,118	385,543	840,139	477,161
Minerals & metals	1,240,205	446,047	496,630	236,819	415,169
Energy related products	133,712	995,334	175,950	251,715	355,302
Textiles & apparel	177,598	129,226	797,679	265,561	54,891
Forest products	415,172	193,003	49,531	138,262	20,190
Miscellaneous manufactures	217,008	144,422	33,481	16,141	3,828
Total	**41,687,445**	**92,157,790**	**51,606,374**	**52,556,238**	**54,357,147**
US Imports Under GSP					
Agricultural products	**79,242**	**56,120**	-	-	-
US Imports					
Agricultural products	14,205,591	14,922,813	11,143,267	11,467,650	34,336,092
Miscellaneous manufactures	10,698	17,287	16,252	48,961	800,000
Special provisions	1,562,589	189,590	178,926	90,343	127,525
Chemicals & related products	-	-	10,437	31,338	9,288
Transportation equipment	5,000	101,893	-	2,205	4,959
Textiles & apparel	29,357	117,808	-	90,911	1,054
Footwear	-	4,227	-	-	-
Machinery	-	-	6,665	2,350	-
Forest products	1,910	-	-	12,500	-
Electronics products	-	26,500	1,800	6,116	-
Minerals & metals	3,552	-	-	4,526	-
Total	**15,818,697**	**15,380,118**	**11,357,347**	**11,756,900**	**35,278,918**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



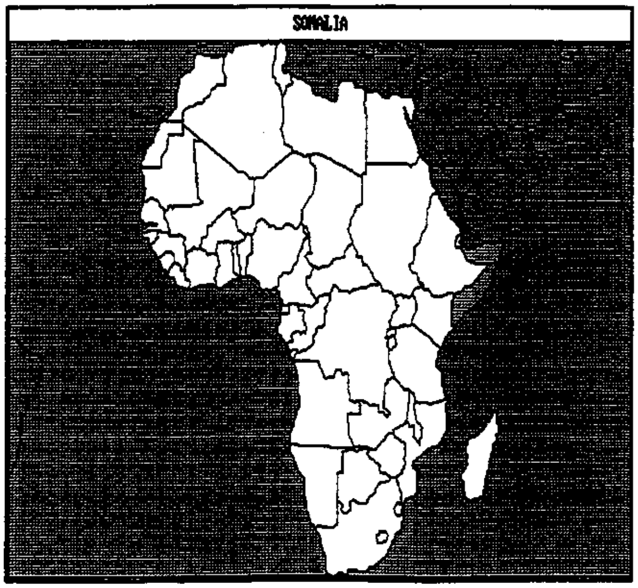
SUDAN

Natural Resources	Agricultural Products	Major Industries
Petroleum	Sorghum	Sugar
Iron Ore	Sugarcane	Wheat
Copper	Millet	Flour
Chromite	Groundnuts	Cement
Zinc	Cotton	Plastics
Tungsten	Sesame	Yarn
Mica	Yams	Perfumes
Silver	Cassava	Textiles
Salt	Wheat	Footwear
Gypsum	Gum Arabic	Cigarettes
Anhydrite	Barley	Tires
Fish	Cattle	
	Sheep	
	Goats	
	Camels	
	Roundwood	

Somalia

	1990	1991	1992	1993	1994
US Exports	$4,487,291	$3,849,934	$19,610,279	$10,893,513	$15,601,378
Transportation equipment	2,103,995	142,589	6,795	3,393,665	4,800,827
Machinery	826,316	20,306	11,107	1,701,941	4,095,219
Miscellaneous manufactures	22,943	2,404,427	7,900	2,632	2,460,230
Electronics products	1,501,885	31,598	975,691	9,001,354	1,625,664
Special provisions	1,184,140	604,155	141,867	4,877,077	731,152
Chemicals & related products	765,469	38,412	-	128,781	332,604
Minerals & metals	103,297	-	51,303	357,985	67,705
Textiles & apparel	497,275	19,310	14,500	174,893	31,233
Forest products	58,513	239,622	-	9,738	15,677
Energy related products	31,930	-	-	19,802	-
Total	**11,583,054**	**7,350,353**	**20,819,442**	**30,561,381**	**29,761,689**
US Imports Under GSP					
Forest products	1,995	-	-	-	-
Miscellaneous manufactures	1,411	-	-	-	-
Machinery	-	15,519	-	-	-
Total	**3,406**	**15,519**	-	-	-
US Imports					
Agricultural products	118,189	2,503,495	2,411,335	61,224	65,872
Electronics products	-	81,960	-	27,794	17,051
Footwear	-	-	-	34,120	14,307
Special provisions	115,677	146,277	6,696	72,058	11,974
Transportation equipment	-	-	-	2,500	6,372
Chemicals & related products	-	-	3,700	11,327	1,589
Miscellaneous manufactures	1,411	-	1,616	-	409
Machinery	-	15,519	-	-	-
Textiles & apparel	1,000	5,155	2,230	2,998	-
Forest products	1,995	-	-	-	-
Total	**238,272**	**2,752,406**	**2,425,577**	**212,021**	**117,574**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



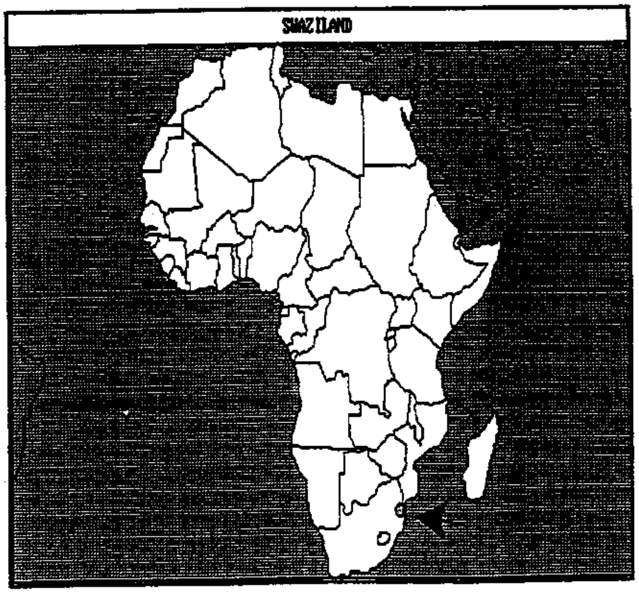
SOMALIA

Natural Resources	Agricultural Products	Major Industries
Uranium	Sugarcane	Foodstuffs
Iron Ore	Corn	Paper
Tin	Sorghum	Beverages
Gypsum	Bananas	Tobacco
Bauxite	Vegetables	Textiles
Copper	Sesame	Clothing
Salt	Roots & Tubers	Footwear
Fish	Citrus Fruit	Petroleum Products
	Beans	Metal Products
	Rice	Sugar
	Dates	Printing
	Cotton	
	Groundnuts	
	Goats	
	Sheep	
	Camels	
	Cattle	

Swaziland

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$79,003	$315,866	$335,822	$391,315	$1,785,676
Electronics products	556,169	1,514,163	1,653,538	337,400	1,533,120
Machinery	218,285	29,227	174,890	821,058	1,235,658
Chemicals & related products	833,200	272,509	215,217	262,665	268,087
Transportation equipment	5,575,730	121,931	536,118	23,465	156,907
Special provisions	189,294	374,933	638,057	353,017	139,088
Minerals & metals	51,163	25,184	31,508	110,007	70,405
Textiles & apparel	6,100	100,960	-	8,036	38,054
Miscellaneous manufactures	-	152,907	-	17,605	29,355
Forest products	114,172	1,567,273	3,320	22,400	28,285
Footwear	-	-	-	32,794	27,431
Energy related products	-	-	-	5,460	6,300
Total	**7,623,116**	**4,474,953**	**3,588,470**	**2,385,222**	**5,318,366**
US Imports Under GSP					
Agricultural products	24,601,171	17,677,663	7,388,350	6,234,661	16,868,380
Miscellaneous manufactures	103,868	48,169	358,728	1,920,817	1,781,627
Chemicals & related products	70,566	212,537	15,229	16,637	353,864
Forest products	7,048	58,494	21,364	64,113	255,030
Minerals & metals	1,636,885	1,409,307	1,041,741	511,852	130,796
Machinery	-	-	-	1,279	3,000
Electronics products	3,366	-	-	-	-
Total	**26,422,904**	**19,406,170**	**8,825,412**	**8,749,359**	**19,392,697**
US Imports					
Agricultural products	24,850,525	19,088,439	7,499,701	6,465,392	17,341,782
Textiles & apparel	3,570,638	5,236,004	7,294,738	9,725,366	15,505,503
Miscellaneous manufactures	716,910	61,960	560,631	1,996,681	1,783,070
Forest products	1,075,763	1,634,554	2,007,082	1,870,745	1,476,354
Chemicals & related products	161,721	348,383	74,193	80,094	450,701
Energy-related products	-	-	-	169,645	419,658
Minerals & metals	2,046,597	1,574,444	5,061,473	631,913	387,144
Special provisions	419,111	282,893	139,067	125,649	284,133
Machinery	153,105	167,377	5,835	126,991	117,976
Electronics products	81,921	18,107	286,811	23,062	38,619
Transportation equipment	25,312	-	-	23,793	-
Footwear	1,275	-	-	304,674	-
Total	**33,102,878**	**28,412,161**	**22,929,531**	**21,544,005**	**37,804,940**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



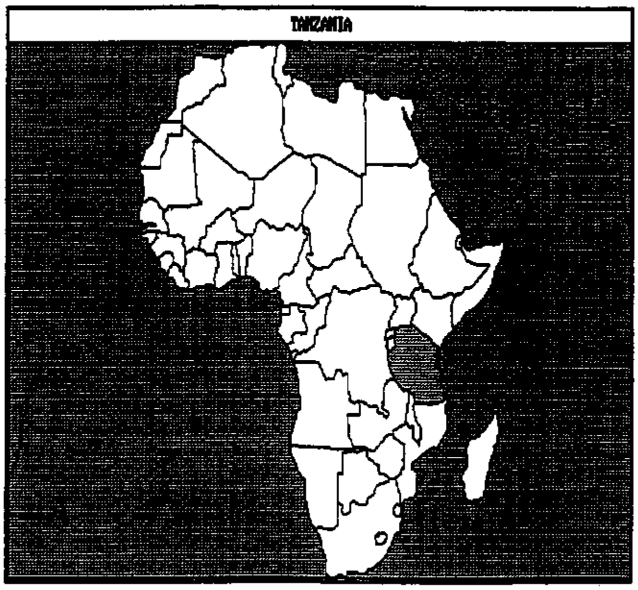
SWAZILAND

Natural Resources	Agricultural Products	Major Industries
Asbestos	Sugarcane	Paper Products
Coal	Corn	Foodstuffs
Clay	Citrus Fruit	Beverages
Tin	Cotton	Chemicals
Diamonds	Roots & Tubers	Lumber Products
Hydroelectric Power	Sweet Potatoes	Metal Products
Gold	Pulses	Textiles
Fish	Pineapples	Sugar
	Tobacco	Tourism
	Cattle	Mining
	Goats	Meat Products
	Sheep	Consumer Goods
	Pork	
	Chickens	
	Roundwood	

Tanzania

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$2,053,212	$2,510,377	$2,452,303	$4,213,442	$16,722,564
Special provisions	2,804,533	2,159,325	4,429,683	2,211,322	8,284,022
Textiles & apparel	3,942,131	6,443,446	7,433,652	7,400,072	7,143,134
Transportation equipment	27,425,069	8,772,745	6,530,944	7,333,195	5,319,313
Electronics products	2,046,348	2,547,179	2,762,014	2,946,593	4,512,370
Machinery	4,449,674	4,710,742	2,953,721	3,877,457	3,061,158
Chemicals & related products	2,984,241	4,062,253	2,114,521	1,722,939	1,846,305
Forest products	413,053	336,924	628,695	879,568	1,061,816
Miscellaneous manufactures	145,296	251,707	124,698	776,413	345,516
Minerals & metals	673,882	456,225	168,122	373,887	167,836
Energy-related products	758,046	238,431	1,178,132	987,284	167,352
Footwear	-	28,722	-	35,103	135,000
Total	47,695,485	32,518,076	30,776,485	32,757,275	48,766,386
US Imports Under GSP					
Minerals & metals	388,115	11,831	28,132	175,977	929,854
Agricultural products	228,193	112,262	84,114	129,482	79,786
Forest products	40,960	41,104	44,111	108,852	21,700
Miscellaneous manufactures	75,800	18,620	1,333	14,802	6,354
Textiles & apparel	52,006	-	850,328	73,653	-
Total	785,074	183,817	1,008,018	502,766	1,037,694
US Imports					
Textiles & apparel	5,005,632	4,064,439	3,435,490	3,752,019	6,622,318
Agricultural products	7,318,184	9,930,687	6,457,016	6,130,568	4,535,283
Minerals & metals	2,027,382	192,416	553,035	528,959	2,315,003
Special provisions	169,402	311,301	128,264	162,199	618,767
Forest products	128,177	129,196	212,261	321,421	436,578
Miscellaneous manufactures	611,767	157,302	79,699	156,742	252,903
Chemicals & related products	202,644	87,115	87,950	181,590	147,435
Energy-related products	-	-	-	193,632	-
Electronics products	12,975	1,848	-	-	-
Machinery	14,640	-	-	-	-
Total	15,490,803	14,874,304	10,953,715	11,427,130	14,928,287

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



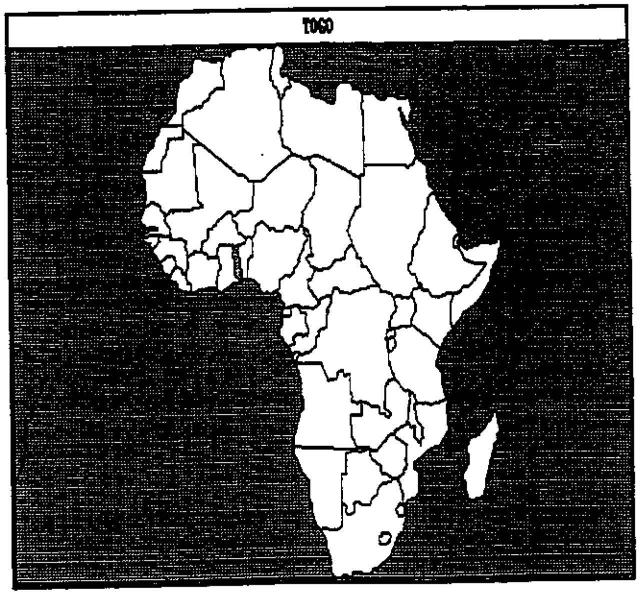
TANZANIA

Natural Resources	Agricultural Products	Major Industries
Hydroelectric Power	Cassava	Cement
Tin	Corn	Meat Products
Phosphates	Bananas	Fertilizer
Iron Ore	Plantains	Iron Products
Coal	Sugarcane	Hides & Skins
Gems	Rice	Aluminum
Gold	Sorghum	Textiles
Natural Gas	Coconuts	Lumber Products
Nickel	Sweet Potatoes	Footwear
Fish	Millet	Foodstuffs
	Cotton	Light Manufacturing
	Dry Beans	Petroleum Products
	Potatoes	Beer
	Mangoes	
	Groundnuts	
	Cashews	
	Cloves	

Togo

	1990	1991	1992	1993	1994
US Exports					
Textiles & apparel	$9,495,904	$6,266,603	$3,854,559	$2,010,899	$2,687,329
Agricultural products	8,088,474	8,246,170	7,739,696	6,232,820	2,642,123
Transportation equipment	6,290,401	4,207,037	4,131,765	2,511,801	2,470,935
Machinery	1,388,543	965,610	605,766	48,830	2,111,241
Special provisions	645,463	547,839	358,682	563,552	987,194
Chemicals & related products	3,411,143	1,887,562	1,166,297	314,633	914,310
Footwear	143,513	330,252	693,629	77,078	158,237
Forest products	99,134	58,718	94,776	5,035	83,304
Miscellaneous manufactures	141,038	68,000	67,663	47,040	6,862
Minerals & metals	66,097	327,059	141,655	8,460	3,780
Electronics products	719,730	881,110	541,760	722,897	357,060
Energy related products	3,531	-	-	8,094	-
Total	**30,492,971**	**23,785,960**	**19,396,248**	**12,551,139**	**12,422,375**
US Imports Under GSP					
Agricultural products	237,152	154,562	289,855	77,591	56,323
Forest products	40,443	49,985	11,391	29,563	42,884
Electronics products	-	-	-	-	19,405
Miscellaneous manufactures	1,254	24,300	390,672	31,285	3,654
Minerals & metals	39,239	14,125	11,240	4,516	3,010
Textiles & apparel	9,079	1,458	3,557	604	275
Machinery	-	-	-	71,799	-
Chemicals & related products	-	-	-	780	
Total	327,167	244,430	706,715	216,138	125,551
US Imports					
Textiles & apparel	12,978	612,077	6,589	1,671,847	2,246,888
Agricultural products	1,672,324	1,627,528	1,891,468	1,338,415	1,538,945
Miscellaneous manufactures	165,603	255,300	568,596	256,175	227,034
Forest products	43,943	49,985	14,581	31,063	42,884
Electronics products	29,242	-	20,617	-	19,405
Special provisions	364,821	6,468	255,158	14,880	9,912
Minerals & metals	45,239	29,125	11,240	6,016	3,010
Chemicals & related products	-	-	-	780	-
Machinery	-	-	1,462	71,799	
Energy-related products	1,391,772	-	3,317,823	-	-
Total	**3,725,922**	**2,580,483**	**6,087,534**	**3,390,975**	**4,088,078**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



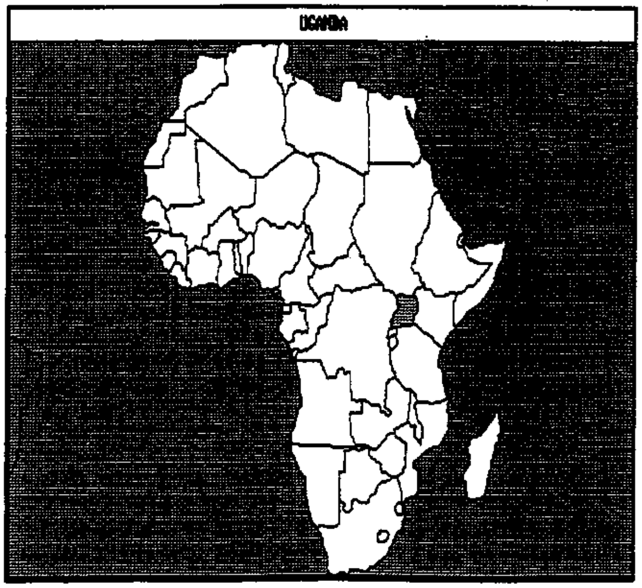
TOGO

Natural Resources	Agricultural Products	Major Industries
Phosphates	Cassava	Cement
Limestone	Yams	Flour
Marble	Corn	Beer
Salt	Sorghum	Soft Drinks
Fish	Cotton	Footwear
	Millet	Textiles
	Cocoa	Mining
	Rice	Foodstuffs
	Pulses	Handicrafts
	Groundnuts	
	Bananas	
	Coconuts	
	Palm Products	
	Oranges	
	Coffee	
	Tomatoes	
	Sheep	

Uganda

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$5,119,694	$964,998	$668,578	$260,350	$7,553,796
Agricultural products	10,694,756	4,182,022	5,149,242	8,598,754	6,896,619
Electronics products	2,904,732	1,388,911	2,438,876	2,774,592	3,167,614
Textiles & apparel	1,686,165	2,922,020	3,148,892	3,605,092	3,166,767
Machinery	2,575,384	756,806	285,330	1,108,094	2,528,714
Special provisions	1,921,439	1,533,747	2,271,163	1,627,272	1,701,427
Chemicals & related products	421,385	579,293	837,195	1,724,644	1,323,139
Forest products	221,786	352,024	337,738	152,583	843,489
Miscellaneous manufactures	159,897	26,693	45,672	18,100	173,138
Minerals & metals	116,077	34,795	50,545	792,157	74,830
Footwear	-	-	-	13,200	33,488
Energy related products	39,567	10,230	15,912	19,951	4,442
Total	**25,860,882**	**12,751,539**	**15,249,143**	**20,694,789**	**27,467,463**
US Imports Under GSP					
Minerals & metals	-	47,996	168,245	195,230	133,893
Forest products	1,710	-	-	17,217	128,728
Miscellaneous manufactures	-	-	1,692	-	5,935
Chemicals & related products	105,843	4,558	39,863	1,500	5,370
Textiles & apparel	-	-	-	-	911
Machinery	-	7,203	-	-	-
Agricultural products	-	-	67,707	4,340	-
Total	**107,553**	**59,757**	**277,507**	**218,287**	**274,837**
US Imports					
Agricultural products	15,774,560	17,791,399	11,659,407	9,446,724	34,406,069
Minerals & metals	-	77,996	275,141	422,730	153,543
Forest products	1,710	-	8,778	17,217	135,136
Special provisions	1,386	48,492	15,278	4,190	131,687
Chemicals & related products	131,042	7,933	39,863	1,500	22,570
Miscellaneous manufactures	3,850	-	3,823	-	5,935
Transportation equipment	-	2,500	-	2,000	2,550
Textiles & apparel	-	2,838	288	-	911
Machinery	-	7,203	-	-	-
Electronics products	-	-	3,196	7,923	-
Total	**15,912,548**	**17,938,361**	**12,005,774**	**9,902,284**	**34,858,401**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



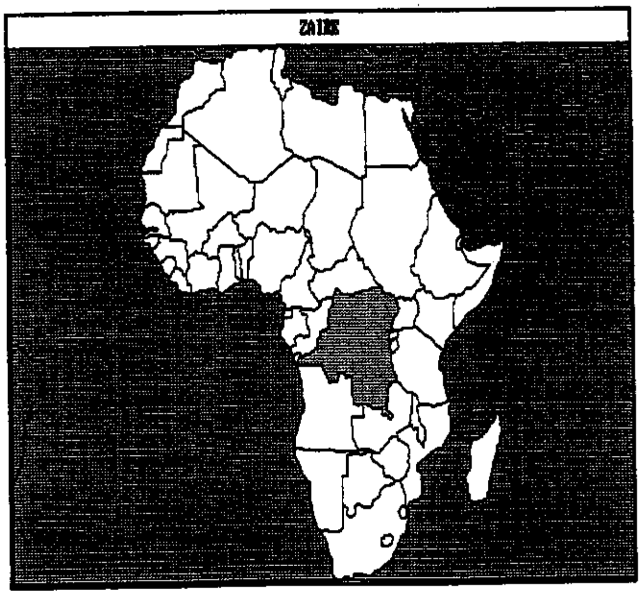
UGANDA

Natural Resources	Agricultural Products	Major Industries
Copper	Bananas	Meat Products
Cobalt	Plantains	Sugar
Limestone	Cassava	Animal Feed
Salt	Sweet Potatoes	Metal Products
Tungsten	Sugarcane	Footwear
Fish	Pulses	Cigarettes
	Millet	Beer
	Dry Beans	Foodstuffs
	Corn	Consumer Goods
	Sorghum	Textiles
	Coffee	
	Peanuts	
	Tea	
	Tobacco	
	Cotton	
	Cattle	
	Goats	

Zaire

	1990	1991	1992	1993	1994
US Exports					
Agricultural products	$29,530,646	$15,164,573	$9,300,110	$10,754,850	$10,490,548
Textiles & apparel	9,828,825	7,260,261	7,452,774	8,149,178	9,059,854
Transportation equipment	60,640,842	17,566,851	4,775,328	6,169,738	6,272,575
Electronics products	7,808,292	6,961,178	2,203,594	3,111,086	3,139,517
Special provisions	5,192,889	2,683,997	3,014,945	1,955,334	2,555,326
Minerals & metals	3,816,352	826,113	248,913	986,275	2,398,322
Machinery	6,191,215	4,427,254	2,527,484	1,043,501	2,312,110
Chemicals & related products	10,683,050	5,517,750	1,983,958	2,020,227	2,251,302
Footwear	-	66,797	236,110	533,284	485,022
Energy related products	504,603	296,423	303,334	225,758	198,462
Forest products	1,062,206	254,613	240,763	142,407	132,540
Miscellaneous manufactures	117,197	220,343	56,291	53,200	125,873
Total	**135,376,117**	**61,246,153**	**32,343,604**	**35,144,838**	**39,421,451**
US Exports Under GSP					
Chemicals & related products	302,585	546,498	677,569	617,117	956,913
Transportation equipment	-	-	-	-	622,940
Miscellaneous manufactures	450,017	792,864	954,806	421,290	552,526
Minerals & metals	19,042,509	143,576	5,608,149	30,020,127	189,597
Forest products	70,609	1,450	54,987	34,965	92,167
Agricultural products					5,220
Total	**19,865,720**	**1,484,388**	**7,295,511**	**31,093,499**	**2,419,363**
US Imports					
Energy-related products	169,593,083	167,427,707	110,328,308	128,587,220	105,999,271
Minerals & metals	139,562,470	128,962,597	131,433,385	101,910,803	63,686,931
Chemicals & related products	697,673	905,616	677,569	3,234,943	11,973,868
Miscellaneous manufactures	1,609,618	1,114,973	1,960,572	866,528	1,898,618
Agricultural products	4,532,981	3,253,760	4,962,005	1,954,965	1,609,864
Special provisions	398,505	339,000	92,871	138,166	858,426
Transportation equipment	-	3,000	-	-	679,209
Forest products	271,407	126,363	201,280	372,399	221,747
Electronics products	-	-	4,000	1,470	33,493
Textiles & apparel	2,106	14,649	1,385	3,310	6,557
Machinery	1,500	-	3,862	3,676,320	-
Footwear	-	59,684	-		
Total	**316,669,343**	**302,207,349**	**249,665,237**	**240,746,124**	**186,967,984**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.



ZAIRE

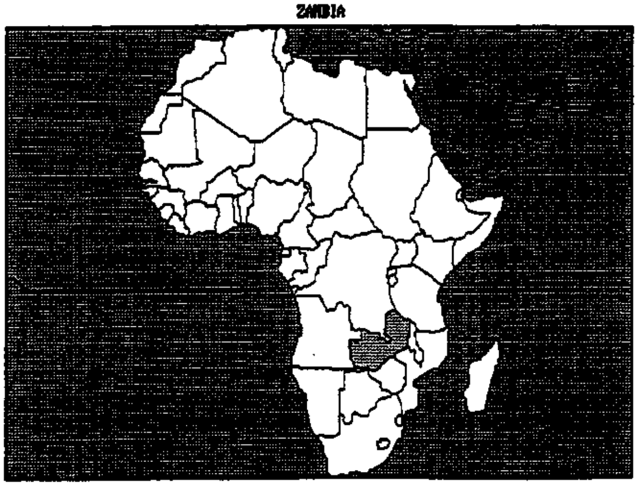
Natural Resources	Agricultural Products	Major Industries
Cobalt	Cassava	Cement
Copper	Plantains	Sulfuric Acid
Cadmium	Sugarcane	Corn
Petroleum	Corn	Sugar
Diamonds	Peanuts	Soap
Gold	Sweet Potatoes	Animal Feed
Silver	Bananas	Explosives
Zinc	Rice	Plastics
Manganese	Yams	Iron & Steel
Tin	Papayas	Paints
Germanium	Pineapples	Medical Goods
Uranium	Mangoes	Cotton Products
Radium	Oranges	Cigarettes
Bauxite	Pulses	Tires
Iron Ore	Coffee	Bicycles
Coal	Dry Beans	Trucks
Lime	Cotton	Beer

Zambia

	1990	1991	1992	1993	1994
US Exports					
Forest products	$550,346	$369,939	$267,142	$975,075	$9,340,803
Textiles & apparel	791,922	1,020,572	4,291,748	5,966,407	5,684,401
Electronics products	3,256,130	4,002,588	2,874,812	4,233,205	4,060,904
Machinery	6,501,933	2,420,908	1,447,291	4,074,127	3,883,545
Transportation equipment	60,865,333	7,954,991	5,217,443	5,950,737	3,477,942
Special provisions	3,266,912	1,941,733	6,700,271	5,165,633	2,450,214
Agricultural products	2,683,867	314,314	43,927,044	10,678,467	1,928,797
Chemicals & related products	1,592,158	1,813,306	2,503,168	1,138,828	815,700
Footwear	-	-	-	34,763	308,251
Minerals & metals	460,909	789,595	304,459	726,159	162,043
Energy related products	3,465	-	-	2,759,484	77,703
Miscellaneous manufactures	15,096	115,983	33,071	66,324	72,447
Total	**79,988,071**	**20,743,929**	**67,566,449**	**41,769,209**	**32,262,750**
US Imports Under GSP					
Agricultural products	4,500	-	2,750	7,380	71,696
Minerals & metals	19,654	132,401	12,736	111,016	69,974
Forest products	19,166	18,038	27,712	31,217	24,770
Miscellaneous manufactures	1,305	2,655	6,190	10,011	961
Textiles & apparel	-	-	-	-	260
Machinery		1,380			
Total	**44,625**	**154,474**	**49,388**	**159,624**	**167,661**
US Imports					
Minerals & metals	28,218,980	42,544,520	69,578,081	39,482,091	61,464,617
Textiles & apparel	-	900	255,155	404,960	1,279,040
Agricultural products	144,775	1,089,860	321,998	680,008	572,248
Special provisions	129,718	201,435	230,742	104,945	126,454
Forest products	24,041	19,538	45,823	33,343	24,770
Chemicals & related products	5,465	7,432	8,415	1,579	6,855
Electronics products	40,479	6,729	7,931	15,822	-
Transportation equipment	-	17,648	22,809	15,752	-
Machinery	-	10,906	-	-	
Miscellaneous manufactures	57,764	14,610	48,190	45,464	2,907
Total	**28,621,222**	**43,913,578**	**70,519,144**	**40,783,964**	**63,476,891**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

ZAMBIA



ZAMBIA

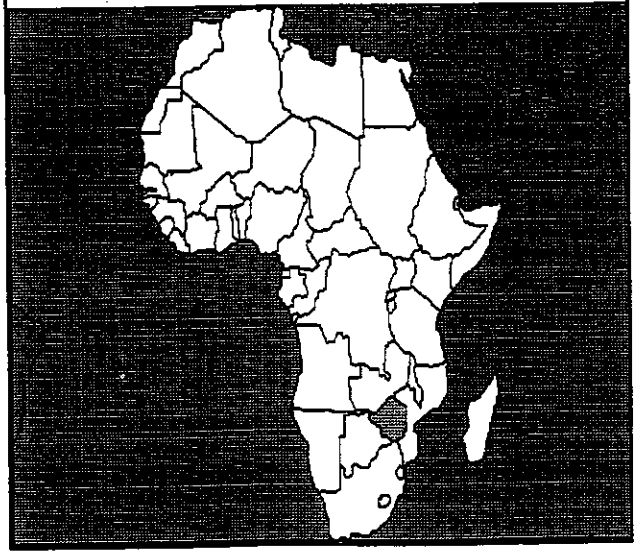
Natural Resources	Agricultural Products	Major Industries
Copper Cobalt Zinc Lead Coal Emeralds Gold Silver Uranium Hydroelectric Power Fish	Sugarcane Corn Fruits Tomatoes Onions Oranges Cassava Sunflower Seeds Millet Sorghum Sweet Potatoes Cotton Peanuts Pulses Tobacco Soybeans Horticulture	Sulfuric Acid Sugar Fertilizer Cement Chemicals Textiles Vehicles Mining Construction Foodstuffs Beverages

Zimbabwe

	1990	1991	1992	1993	1994
US Exports					
Transportation equipment	$89,405,708	$14,354,435	$16,949,881	$16,905,857	$39,808,890
Machinery	9,604,845	12,903,775	13,257,959	16,908,899	20,890,933
Electronics products	10,434,626	7,518,962	7,291,124	7,729,469	15,505,474
Chemicals & related products	7,557,101	8,360,815	8,680,187	7,394,436	6,078,419
Agricultural products	3,328,650	556,708	87,747,164	25,265,235	3,287,676
Special provisions	9,369,112	3,663,898	4,859,026	3,765,832	2,227,718
Minerals & metals	1,252,104	1,378,202	664,260	540,930	1,435,470
Textiles & apparel	781,662	811,338	1,141,793	577,031	1,369,825
Forest products	1,154,523	917,187	479,717	3,350,290	846,906
Miscellaneous manufactures	71,314	466,275	947,910	466,438	610,699
Footwear	110,426	1,534,408	-	103,028	105,047
Energy-related products	156,381	225,961	154,389	55,352	61,787
Total	**133,226,452**	**52,691,964**	**142,173,410**	**83,062,797**	**92,228,844**
US Imports Under GSP					
Agricultural products	13,675,245	7,692,358	289,752	511,418	18,289,233
Minerals & metals	2,032,649	2,041,620	13,516,712	24,765,662	12,419,304
Miscellaneous manufactures	415,899	237,345	1,662,213	9,793,694	9,060,685
Forest products	18,783	31,563	53,556	139,613	184,134
Machinery	54,215	3,712	207,054	38,834	137,830
Chemicals & related products	7,095	13,420	6,359	12,281	90,811
Textiles & apparel	2,708	-	-	2,047	12,529
Transportation equipment	-	3,318	-	-	-
Electronics products	-	-	2,468	-	-
Total	**16,206,594**	**10,023,336**	**15,738,114**	**35,263,549**	**40,194,526**
US Imports					
Agricultural products	21,966,391	18,882,062	62,352,018	79,022,194	49,593,651
Minerals & metals	73,905,505	49,480,586	58,742,210	38,099,614	28,942,880
Textiles & apparel	6,922,985	6,954,118	5,931,160	12,961,214	11,301,527
Miscellaneous manufactures	846,859	703,881	2,181,797	10,383,829	9,798,111
Energy-related products	-	-	-	-	2,057,644
Forest products	42,503	77,528	55,128	536,610	1,817,004
Special provisions	647,629	913,518	659,783	634,537	875,645
Machinery	93,878	292,660	207,054	536,370	714,781
Transportation equipment	33,778	9,058	10,074	65,679	574,228
Footwear	19,654	8,633	-	-	177,592
Chemicals & related products	175,733	47,582	21,654	34,555	161,326
Electronics products	43,649	12,896	32,758	26,801	13,538
Total	**104,698,564**	**77,382,522**	**130,193,636**	**142,301,403**	**106,027,927**

Source: U.S. Department of Commerce, Bureau of the Census, P.C. Globe, *Africa South of the Sahara*, 1995.

ZIMBABWE



ZIMBABWE

Natural Resources	Agricultural Products	Major Industries
Coal	Tobacco	Foodstuffs
Chromite	Corn	Metal Products
Asbestos	Cotton	Chemicals
Gold	Beef	Petroleum Products
Nickel	Sugarcane	Beverages
Copper	Dairy Products	Tobacco
Iron Ore	Wheat	Textile Products
Vanadium	Coffee	Clothing
Lithium	Soybeans	Footwear
Tin	Sorghum	Paper
Fish	Tea	Printing
	Cattle	Vehicles
	Goats	Nonmetal. Mineral Prod.
	Sheep	Lumber Products
	Pork	Manufactured Goods
	Chickens	Publishing
	Roundwood	