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

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U.S. International Trade Commission

Sub- Saharan Africa

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U.S. International Trade Commission

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ABSTRACT

This is the fourth annual report in a 5-year series requested by the U.S. Trade Representative. The report provides for 1997: (1) data on total U.S.-Sub-Saharan Africa trade and investment flows by selected major sectors and regional groupings; (2) identification of major developments in the World Trade Organization (WTO) and in U.S. trade and economic policy and commercial activities that significantly affect bilateral trade and investment with the region; (3) information on changing trade and economic activities within the individual countries; and (4) an update on progress in regional integration in Africa.

In 1997, as it did the previous year, Sub-Saharan Africa accounted for about 1 percent of U.S. merchandise exports and 2 percent of U.S. merchandise imports. U.S. merchandise exports to the region totaled $6.1 billion in 1997, up only slightly from $6.0 billion in 1996. U.S. imports rose to $16.0 billion in 1997, representing about 1.9 percent of the United States' total merchandise imports of $862 billion. The U.S. merchandise trade deficit with Sub-Saharan Africa rose 9 percent to $9.9 billion. U.S. gross direct investment flows to Sub-Saharan Africa more than quadrupled in 1997 to $3.8 billion. Yet, U.S. investment to the region amounted to only about 3.3. percent of total U.S. direct investment abroad in 1997. U.S. investment is concentrated primarily in the petroleum sectors in Nigeria and Angola.

Executive Summary

This is the fourth annual report in a 5-year series requested by the U.S. Trade Representative. The report provides for 1997: (1) data on total U.S.-Sub-Saharan Africa trade and investment flows by selected major sectors and by regional groups; (2) identification of major developments in the World Trade Organization and in U.S. trade and economic policy and commercial activities that significantly affect bilateral trade and investment with the region; (3) information on changing trade and economic activities within the individual countries; and (4) an update on progress in regional integration in Africa. Numerous data sources were used to compile the information in this report, including staff travel to the region to meet with public and private sector representatives, and information supplied by U.S. embassy officials and other government agencies.

U.S.-Sub-Saharan Africa Trade

❑ Sub-Saharan Africa accounted for about 1 percent of U.S. merchandise exports and 2 percent of U.S. merchandise imports in 1997. U.S. merchandise exports to Sub-Saharan Africa totaled $6.1 billion in 1997, up only slightly from $6.0 billion in 1996. U.S. imports rose to $16.0 billion in 1997, representing about 1.9 percent of the United States' total merchandise imports of $862 billion. The U.S. merchandise trade deficit with Sub-Saharan Africa rose 9 percent to $9.9 billion.

❑ Transportation equipment, agricultural products, machinery, electronic products, and chemicals are the largest U.S. merchandise export sectors with respect to Sub-Saharan Africa. Combined, these five sectors accounted for 78 percent of the value of U.S. merchandise exports to the region in 1997. Although Nigeria was the United States' largest trading partner in the region in 1997, South Africa was the largest consumer of U.S. merchandise exports in all product sectors.

❑ The share of energy-related products in U.S. imports from the region fell from 71 percent in 1996, to 69 percent in 1997. Minerals and metals and agricultural products held their 1996 import share levels of 14 and 6 percent, respectively. Chemicals, however, rose to an import share of 5 percent in 1997.

❑ Imports entering duty-free under the U.S. Generalized System of Preferences (GSP) rose from $588.2 million in 1996 to $1.4 billion in 1997, or by 134 percent. These imports rose to 8.6 percent by value of total U.S. imports from the region in 1997, more than double that of the 1996 share.

❑ Combined, the Sub-Saharan countries accounted for 8.9 percent of all U.S. GSP imports in 1997. Because of changes to the program for least-developed beneficiary developing countries (LDBDCs), allowing products from Angola's energy sector to qualify for GSP preferences, in 1997 Angola became the largest Sub-Saharan African supplier under the GSP program. South Africa was the second-ranking supplier under the program.

Foreign Investment in Sub-Saharan Africa

❑ In 1997, the region received 2.5 percent of the global net foreign direct investment (FDI) flows to developing countries, compared to an average of 3.6 percent during 1990-96. This decline results in part from a few developing countries, such as China, increasingly absorbing a large share of direct investment to developing countries.

- Investment flows directed to Sub-Saharan Africa go to a few countries and industries. Angola, Ghana, Nigeria, and South Africa accounted for 70 percent of FDI flows to the region in 1997. Investments were mainly directed to the oil and mining industries in Angola and Nigeria, and to manufacturing and service industries in South Africa. Investment in Ghana focused on mining, light manufacturing, and telecommunications.

- U.S. gross direct investment flows to Sub-Saharan Africa more than quadrupled in 1997 to $3.8 billion. Yet, U.S. investment to the region amounted to only about 3.3 percent of total U.S. direct investment abroad in 1997. U.S. companies invest primarily in petroleum in Nigeria and Angola. South Africa hosted $1.4 billion of U.S. direct investment, or 28.6 percent of the total.

Regional Economic Integration

- Subregional trade and economic integration has been difficult in the region. Ambitious goals have been hampered by political and economic instability, as well as conflicting interests among the leading regional institutions. It is unlikely that most proposed target dates for free trade agreements and economic and monetary unions will be met. Common problems among the six organizations profiled in this report have involved delays in ratifying treaty protocols by member governments and shortages of operating funds.

- The Southern African Development Community (SADC) has shown signs of progress, especially in South Africa's apparent willingness to open its relatively closed market to the rest of the subregion. The Southern African Customs Union (SACU) has begun negotiations to restructure its complex tariff regime. The Tripartite Commission for East African Co-operation (EAC) is a promising, recently restructured subregional organization. Its three members (Kenya, Tanzania, and Uganda) reformed this group in 1996 (after a 20-year disbandment), and are set to sign a formal treaty in November 1998.

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

- Financial activity in Sub-Saharan Africa by international organizations generally increased in 1997. However, World Bank lending commitments to the region declined from $2.7 billion in 1996 to $1.7 billion in 1997. Guarantees by the Multilateral Investment Guarantee Agency increased from approximately $65 million in fiscal year 1996 to $70 million in 1997. The International Finance Corporation approved $384 million in financing for 72 projects in Sub-Saharan Africa in fiscal year 1997, compared to $190 million in 1996. During fiscal year 1996-1997, the International Monetary Fund (IMF) approved 12 new Enhanced Structural Adjustment Facility arrangements, providing highly concessional loans to low-income members of Sub-Saharan Africa.

- Some U.S. government programs directed toward Sub-Saharan Africa increased in 1997, compared to the previous year. For example, U.S. Export-Import Bank support for the region increased from $3.0 billion in fiscal year 1996 to $3.2 billion in 1997. In 1997, the Overseas Private Investment Corporation insured more than $160 million in new U.S. investments in Sub-Saharan Africa, including $100 million in regional financing. The pending African Growth and Opportunity Act (H.R. 1432) and President Clinton's initiative, "Partnership for Economic Growth and Opportunity in Africa" both include provisions to develop new private sector equity investment funds for Africa. U.S. bilateral economic assistance to Sub-Saharan Africa declined from $1.2 billion in fiscal year 1996 to $978 million in 1997. U.S. Agency for International Development appropriations for Sub-Saharan Africa were $665 million in FY 1997, up from $632 million in FY 1996.

- On July 1, 1998, the Office of the U.S. Trade Representative announced changes to the GSP program that were intended to encourage Sub-Saharan African countries to accelerate their economic integration and to work collectively on expanding their exports. According to the changes, members of certain regional organizations will be permitted to cumulate their value-added contributions (on GSP imports). This will make it easier for the eligible countries to meet the 35 percent value-added requirement of the GSP rule of origin.

- In 1997, several Sub-Saharan African countries continued to increase their efforts to avail themselves of World Trade Organization (WTO) and other programs aimed at improving their trade performance. Côte d'Ivoire, Ghana, Kenya, Mauritius, Nigeria, Senegal, and South Africa participated in the services negotiations that followed the Uruguay Round. Whereas financial and telecommunications services were more important for most WTO members, the maritime transport services appeared to be the negotiations of most interest to West and Central Africa, and are likely to be again when these negotiations resume in 2000. A majority of Sub-Saharan Africa is signatory to the two major intellectual property rights treaties—the Berne Convention for the Protection of Literary and Artistic Works, and the Paris Convention for the Protection of Industrial Property.

- In October 1997, the High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development convened. Sponsored by the WTO, the IMF, World Bank, and United Nations agencies, the High-Level Meeting began a process by which these institutions will integrate their resources to help the least-developed countries, largely in Africa, according to their individual needs assessments.

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

- During 1996-97, the U.S. trade balance with Sub-Saharan Africa in **agricultural products** changed from a surplus of $33.8 million to a deficit of $159.2 million. Most of this change resulted from a substantial decline in exports caused by reduced U.S. export assistance (a trend continuing from the prior year) and lower grain prices. The trade balance also declined because of higher tobacco imports from Malawi, which had a good tobacco crop, and higher prices for coffee, a major import from Sub-Saharan Africa. Under the new GSP provisions for LDBDCs, agricultural imports included $25.9 million of tobacco from Malawi and Tanzania. Three major trading partners, Côte d'Ivoire, Nigeria, and South Africa, made significant changes to their agriculture sectors during the year. Côte d'Ivoire privatized palm oil, sugar, and cotton companies, lowered rice import duties, and liberalized domestic sugar prices. Nigeria lifted import bans on several food products, but these products are now subject to high tariffs. Nigeria also eliminated inspection requirements and duties for imports from its 15 major trading partners and all African countries, but excluded U.S. products, continuing a significant barrier to U.S. exports. South Africa raised tariffs on wine, wheat, and poultry to protect domestic producers. South Africa also completed liberalizing all export controls in January 1998.

- The U.S. trade surplus with Sub-Saharan Africa in **forest products** increased from $90.4 million to $103.5 million during 1996-97. The region accounts for less than 1 percent of both U.S. exports and imports of forest products. There were no major policy developments affecting sector products during 1997.

- The U.S. trade balance in **chemicals and related products** changed from a surplus of $163.1 million in 1996 to a deficit of $95.1 million in 1997, mainly as a result of increased imports from Nigeria. Closure of Nigerian petrochemical plants due to maintenance problems caused a diversion of feed chemicals to export markets. The United States Trade Representative (USTR) has added South Africa to its "Special 301" watch list because the country is reportedly poised to abrogate patent protection for certain pharmaceuticals, if necessary, to lower the cost of medicines in South Africa. South Africa is delaying implementation of the pharmaceutical bill, pending resolution of a constitutional challenge in South Africa's courts.

- The U.S. trade deficit with Sub-Saharan Africa in **energy-related products** increased slightly from $10.5 billion in 1996 to $10.8 billion in 1997. Most of the increase resulted from increased imports of crude petroleum and refined petroleum products. In quantity terms, the increase in imports was substantial, but because of a decline in product prices, the increase in value terms was modest. Energy-related products accounted for 68.9 percent of total U.S. imports from Sub-Saharan Africa in 1997. Total U.S. imports of energy-related products under GSP-LDBDC provisions amounted to $699.1 million in 1997.

- The U.S. trade deficit with Sub-Saharan Africa in **textiles and apparel** increased from $194.4 million in 1996 to $266.3 million in 1997 as the increase in imports (predominantly cotton apparel) far exceeded the gain in exports to the region. The principal sector export continued to be used clothing and other used textile articles, reflecting the poverty in many parts of the region. U.S. exports of these articles in 1997 were up by $17.0 million (18.4 percent) over the 1996 level. The second stage of the Uruguay Round Agreement on Textiles and Clothing began on January 1, 1998. Under this agreement, WTO members must eliminate quotas on imports from WTO-member countries of sector goods integrated into the General Agreement on Tariffs and Trade (GATT) regime, and they cannot establish new quotas. The pending Africa Growth and Opportunity Act contains provisions designed to enhance access to the U.S. market for textiles and apparel from Sub-Saharan Africa.

- The U.S. trade deficit with Sub-Saharan Africa in **minerals and metals** increased from $1.9 billion in 1996 to $2.0 billion in 1997. Much of the decline in U.S. exports to the region was accounted for by reduced exports to Nigeria because of deteriorating domestic economic conditions. Sub-Saharan African countries continue to liberalize mining regulations and laws. Some of the more notable changes were the restructuring of the South African mining industry, Botswana's amendment of its existing mining laws and regulations, and Burkina Faso's adoption of new mining laws. The U.S. Department of Commerce negotiated a suspension agreement with South Africa in October 1997 that initiated quarterly monitoring of South African cut-to-length carbon and steel plate imports. In May 1998, the United States International Trade Commission (USITC) made an affirmative determination of material injury to U.S. manufacturers, resulting from the importation of certain stainless steel plate from South Africa.

- The U.S. trade surplus with Sub-Saharan Africa in **machinery** increased from $683.7 million in 1996 to $747.1 million in 1997. Demand for U.S. exports of farm and garden machinery and equipment, especially items such as small hand tractors and implements used by peasant farmers and irrigation equipment for large commercial farms, accounted for 22.5 percent of the 1997 value of total U.S. sector exports. United States trade with Sub-Saharan Africa is likely to increase, albeit slowly, as the region's businesses modernize and upgrade their machinery to gain greater efficiencies and thereby meet the challenges of growing competition from imports. In 1997, the United States experienced a slight shift in its machinery trade with Sub-Saharan Africa as U.S. exports to South Africa declined, and as U.S. exports to other Sub-Saharan countries grew substantially. Continued support of development projects by the world's leading donor agencies also will likely result in increased demand for U.S. machinery exports.

- The U.S. trade surplus with Sub-Saharan Africa in **electronic products** increased from $676.6 million in 1996 to $738.1 million in 1997. Exports increased primarily because of private and public sector efforts to improve Sub-Saharan African computer networks and communication infrastructures. Production of electronic products in the region is minimal; most countries depend on imports to meet demand. As the countries in Sub-Saharan Africa seek to develop their economies, they are focusing increasingly on communications, transportation, and welfare infrastructure projects that will require sophisticated electronic and medical equipment. In many cases, these countries have adopted policies, initiatives, or budget allocations that are expected to affect telecommunications, computers, health care, and public safety. Continued U.S. objections to the lack of protection for intellectual property has led many Sub-Saharan African countries to adopt stricter measures to protect intellectual property rights.

- The U.S. trade surplus with Sub-Saharan Africa in **transportation equipment** remained virtually unchanged at $1.6 billion in 1997. Exports largely consisted of construction and mining equipment, general aviation aircraft, motor vehicles, and automotive parts. Exports of general aviation aircraft increased because of expanding demand for aircraft needed to accommodate South Africa's expanding tourism industry, coupled with increased business travel to that country. South Africa is the source for most U.S. imports from the region, and South Africa's automotive industry continued to be an important supplier of automobiles and component parts for certain global automobile producers during 1997. Privatization and restructuring of many businesses has enhanced foreign investment, business travel and tourism, and has stimulated Sub-Saharan African companies to upgrade their transportation-equipment technology.

- The U.S. trade balance with Sub-Saharan Africa in **miscellaneous manufactures** changed from a surplus of $6.0 million in 1996 to a deficit of $10.6 million in 1997. Many countries in Sub-Saharan Africa continue to impose relatively high tariffs, fees, or quantitative restrictions on products in the miscellaneous manufactures sector to discourage imports, and save limited foreign-exchange reserves for imports of food, machinery, industrial products, and other more essential inputs. Because the manufacturing bases in many Sub-Saharan African countries, with the exception of Zimbabwe and South Africa, are not sufficiently diversified to produce miscellaneous manufactures at competitive prices, U.S. imports of these items from the region, although growing, continued to be relatively small. More than three-quarters of U.S. imports of miscellaneous manufactures from South Africa in 1997 consisted of furniture. In 1997, there were no major policy changes that affected trade in sector products.

- The United States continued to have a sizable trade surplus in **services** with Sub-Saharan Africa, which was $494.0 million in 1996 (latest available data), because few nations in Sub-Saharan Africa have indigenous service providers that are substantially active internationally. New communication media such as cellular communication systems, the Internet, and direct-to-home satellite broadcasting are beginning to improve the region's unreliable and prohibitively expensive telecommunication services; however, overall use of these new technologies remains small as few can afford them. Development of communications, education, health care, finance, and tourism is being fostered internally, such as through privatizing state-owned utility companies, and externally, such as through foreign investment and support from multilateral lending institutions.

- On February 15, 1997, the United States and 68 other members of the WTO successfully concluded negotiations on basic telecommunication services under the General Agreement on Trade in Services (GATS). Among the 69 WTO Members who scheduled market access, national treatment, and regulatory commitments under the Agreement were Côte d'Ivoire, Mauritius, Senegal, South Africa, and Ghana. These countries each made commitments to open certain basic telecommunication sectors to competition in the near term and to open other sectors at later dates. Other recent WTO developments relevant to Sub-Saharan Africa included the successful conclusion of the twice-extended negotiations on financial services. The resulting WTO Agreement on Financial Services covers insurance, banking, securities, financial information providers, and all related financial services. Several Sub-Saharan African countries, including Nigeria, Kenya, Mauritius, Senegal, and South Africa scheduled commitments providing relatively free market access. Numerous projects, typically in the telecommunications sector, were supported by U.S. bilateral and multinational funding.

TABLE OF CONTENTS

TABLE OF CONTENTS-*Continued*

Page

TABLE OF CONTENTS-*Continued*

Page

TABLE OF CONTENTS-*Continued*

Page

TABLE OF CONTENTS-*Continued*

Page

Tables

GLOSSARY OF SELECTED ABBREVIATIONS

AfDB	African Development Bank
AfDF	African Development Fund
ATWT	Average trade-weighted tariff
AVE	Ad valorem equivalent
CFA	Communauté Financière Africaine
COMESA	Common Market for Eastern and Southern Africa
DROC	Democratic Republic of Congo, Congo-Kinshasa
EAC	East African Co-operation
ECOWAS	Economic Community of West African States
EEP	Export Enhancement Program
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
Eximbank	Export-Import Bank
FDI	Foreign direct investment
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GSP	Generalized System of Preferences
HIPC	Heavily Indebted Poor Countries
HTS	Harmonized Tariff Schedule of the United States
IFC	International Finance Corporation
IMF	International Monetary Fund
LDBDC	Least-developed beneficiary developing country
LDC	Less developed country
MFA	Multifiber Arrangement
MIGA	Multilateral Investment Guarantee Agency
OAU	Organization of African Unity
OECD	Organization for Economic Co-operation and Development
OPIC	Overseas Private Investment Corporation
ROC	Republic of Congo, Congo-Brazzaville
SACU	Southern Africa Customs Union
SADC	Southern African Development Community
SAF	Structural Adjustment Facility
SDRs	Special Drawing Rights
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UNCTAD	United Nations Conference on Trade and Development
USDOC	U.S. Department of Commerce, Commerce
USDOS	U.S. Department of State, State
USITC	U.S. International Trade Commission, the Commission
USTR	U.S. Trade Representative
WAEMU	West African Economic and Monetary Union, UEMOA in French
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

CHAPTER 1
Introduction

In the short history of this report series, the U.S.-Africa trade relationship has become the focus of attention at the highest levels of U.S. Government as never before. According to President Clinton, 1997 marked a "watershed in our economic and trade relations with the countries of Africa." On June 17th, President Clinton announced the "Partnership for Economic Growth and Opportunity in Africa," an initiative based on the premise that building strong trade relationships with Africa's rapidly growing and reforming countries is key to generating sustained growth and opportunity on the continent.[1] The Partnership is the first comprehensive U.S. trade and investment initiative for the region, combining traditional aid programs with new ones while also emphasizing sustained economic development and self-reliance. The initiative is aimed at those countries demonstrating a commitment to growth-oriented reforms, particularly in the areas of trade and investment liberalization, human resource development, policy management, and good governance. The four main components of the Partnership are (1) expanded access to U.S. markets; (2) strengthened assistance programs and debt relief to restore financial viability; (3) concerted efforts to nurture private sector development and investment; and (4) enhanced dialogue with African countries. In March 1998, President Clinton visited six countries in the region—Botswana, Ghana, Rwanda, Senegal, South Africa, and Uganda. It was the first such official visit to the Sub-Saharan region by a U.S. President in two decades for the purpose of discussing trade and investment opportunities.

The African Growth and Opportunity Act (H.R.1432) (Act) was introduced in the 105th Congress on April 24, 1997 and passed by the full House with bipartisan support on March 11, 1998; Senate action is pending.[2] The Act complements the Partnership and would implement key elements of the initiative. Key features of the Act provide for increased U.S. market access for textiles and other exports, promotion of new private U.S. investment backed by two new funds at the Overseas Private Investment Corporation (OPIC) valued at $650 million; annual meetings between African trade and finance ministers and their U.S. counterparts; and enhanced technical assistance for economic management.[3]

Purpose of the Report

Section 134 of the Uruguay Round Agreements Act[4] (URAA) directs the President to develop a comprehensive trade and development policy for the countries of Africa, and to report to the Congress annually for 5 years on the steps taken to carry out that mandate. The Statement of Administrative Action[5] 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.[6] Specifically, the Commission is asked to submit, annually for 5 years, a report that provides:

- an analysis of U.S.-Africa trade flows;
- an assessment of any effects of the URAA, and of U.S. trade and development policy for Africa, on such flows;
- information on changing trade and economic activities within the individual countries; and
- progress in regional integration in Africa.

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[1] For details of the Partnership initiative, see USTR, "A Comprehensive Trade and Development Policy for the Countries of Africa," a report submitted by the President of the United States to Congress, December 1997.

[2] On July 21, the Senate Finance Committee marked up an omnibus trade package that includes, among other provisions, a version of the Africa Growth and Opportunity Act.

[3] For additional details on the African Growth and Opportunity Act, see USITC, *The Year in Trade: Operation of the Trade Agreements Program*, 49th Report, publication No. 3103, pp. 78-84, May 1998.

[4] 19 U.S.C. 3554.

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

[6] See appendix A for the letter from U.S. Trade Representative Charlene Barshefsky dated June 5, 1996, to the Commission requesting the report series.

Approach

This report is the fourth in a 5-year series documenting U.S.-Africa trade and investment flows. The quantitative data provided generally cover either calendar year or fiscal year 1997, depending on which data are available. In cases where it is useful to show a trend, data for 1993 through 1997 are provided. Developments in economic, trade, and commercial policies cover the period from January 1997 through August 1998, when possible.

Numerous data sources were used to compile the information in this report. Annual data on the value of U.S. exports to, and imports from, Sub-Saharan Africa were obtained from the U.S. Department of Commerce (USDOC). Data on U.S. investment flows to Sub-Saharan Africa were obtained from USDOC as well as the U.S. Department of the Treasury. Information on major developments in the World Trade Organization (WTO) likely affecting U.S.-Sub-Saharan trade flows was collected from the WTO and other public data sources. Information on U.S. trade and economic activities potentially affecting U.S.-Sub-Saharan trade and investment flows was collected from the USDOC, the U.S. Department of State (State or USDOS), Treasury, the Export-Import Bank of the United States (Eximbank), the Overseas Private Insurance Corporation, the U.S. Department of Agriculture (USDA), the U.S. Trade and Development Agency (TDA), and other relevant U.S. agencies.

Data on trade and economic policy changes in countries in Sub-Saharan Africa, as well as information on multilateral project lending, were obtained from USDOC, State, the World Bank (formally, the International Bank for Reconstruction and Development or IBRD), the African Development Bank (AfDB), and the International Monetary Fund (IMF). Commission staff members also traveled to Windhoek, Namibia to interview business and government officials about domestic and regional trends, and developments in trade and investment, and progress towards regional integration. In addition, in response to a request for assistance, U.S. embassies in the region provided trade and investment information.

Scope of the Report

Figure 1-1 shows the 48 countries of Sub-Saharan Africa covered in this investigation. The countries are:

Angola	Liberia
Benin	Madagascar
Botswana	Malawi
Burkina Faso	Mali
Burundi	Mauritania
Cameroon	Mauritius
Cape Verde	Mozambique
Central African Republic	Namibia
Chad	Niger
Comoros	Nigeria
Congo (Brazzaville)	Rwanda
Congo (Kinshasa)[7]	São Tomè and Principe
Côte d'Ivoire	Senegal
Djibouti	Seychelles
Equatorial Guinea	Sierra Leone
Eritrea	Somalia
Ethiopia	South Africa
Gabon	Sudan
The Gambia	Swaziland
Ghana	Tanzania
Guinea	Togo
Guinea-Bissau	Uganda
Kenya	Zambia
Lesotho	Zimbabwe

All of these countries are classified by the World Bank as developing countries; 10 countries are classified by the World Bank as middle-income developing countries and 38 are low-income developing countries.[8] As noted in previous reports in this series, although the countries of Sub-Saharan Africa share many common characteristics, they vary widely in terms of population, size, geography, natural resources, stage of development, and political stability.[9]

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[7] In 1997, the name of the country known as Zaire was changed to the Democratic Republic of the Congo. The two short forms of this country's name, Congo (Kinshasa) and DROC, are both used in this report series to distinguish it from the other Sub-Saharan country similarly named, the Republic of the Congo. The short forms for the Republic of the Congo are Congo (Brazzaville) and ROC.

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

As former colonies gained independence following World War II, these new countries were described as "less developed countries" (LDCs). Whereas the term "less developed country" has been supplanted over the years by "developing country,"the acronym LDC is still widely used to abbreviate developing country. As some LDCs advanced economically and others did not, those that lagged furthest behind came to be known as "least-developed countries," typically abbreviated as LLDCs.

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

Figure 1-1
Political map of contemporary Sub-Saharan Africa

The merchandise sectors covered separately in this report include agricultural products; forest products; chemicals and related products; energy-related products; textiles, apparel, and footwear; minerals and metals; machinery; electronic products; transportation equipment; and miscellaneous manufactures. The trade data for these sectors have been aggregated from the Commission's trade-monitoring commodity groups and are provided for the 1993-97 period. The service sectors covered in the report include telecommunications, education services, professional services, insurance, and royalties and license fees. The service sector trade data are limited, and there is a time lag in terms of availability.

Organization of the Report

The remainder of chapter 1 summarizes, by country, the trade and investment climate in Sub-Saharan Africa. Chapter 2 provides U.S.-Sub-Saharan Africa trade flow data for major commodity and service sectors and U.S. investment data for 1993-1997, as well as information on progress in regional integration. Chapter 3 provides an update on the activities of several multilateral organizations whose programs affect countries in the region. Chapter 4 provides information by major sector on WTO developments, as well as other U.S. and African policy developments likely affecting U.S. trade with, and investment in, Sub-Saharan countries. Appendix B shows U.S. exports, imports, and trade balance with each country. Appendix C contains a case study of the trade and investment environment in Namibia.

Overview

Table 1-1 provides information on changing trade and investment activities within the individual countries by summarizing recent developments in each Sub-Saharan African country's trade and investment regime.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Angola	30	Highly protected market. Quotas; import licenses required for all imports. Corruption in customs alledgedly hampers imports. Trade is dominated by politically well-connected firms. The oil sector is the main engine of growth.	Effectively closed to most FDI. Ongoing economic and political crises deters investment. All investment approved on a case-by-case basis. Commercial activities that increase exports, produce raw materials and train workers are encouraged. FDI prohibited in defense, public utilities, air and maritime transport. Some easing of restrictions. Repatriation of profits is guaranteed. Travel within the country is unsafe due to bandits, undisciplined police and troopers. The judicial system was largely destroyed during the civil war and in 1996 did not function in some parts of the country.	340
Benin	<20	Ongoing trade liberalization. Tariff structure simplified in 1993. Import licensing controls removed in 1993 and overall tariffs reduced in 1994. Few NTBs. Significant progress with privatization and liquidation of state-owned enterprises over past few years; about 30 parastatals currently. Further privatization is planned. Business licensing procedures are being simplified; and labor code revised to allow employers more flexibility in hiring and firing.	Improving considerably. Incentives established and one-stop investment approval systems is planned. Meanwhile, foreign investors face numerous bureaucratic hurdles. Bureaucracy subject to corruption. State controls mining, energy, water forestry, transport and communications sectors. Some sectors closed to foreign participation (certain furniture, welding and bricklaying, operation of restaurants, bars).	380
Botswana	<12	Few NTBs. Low tax burden due to recent cuts in taxes. State sector owns a sizable portion of domestic enterprises. Price controls have been eliminated but some agricultural prices are established through negotiated agreements with government. New development policy emphasizes the need to diversify the economy away from its dependence on mining and agriculture. To help develop the manufacturing sector, government is taking steps to provide export credit and financing insurance and to set quality standards.	According to Department of Commerce, copyright protection is virtually nonexistent. Some sectors, including most utilities, small retail stores and some restaurants and bars are closed to FDI. Requirement that licences must be obtained for expatriate employees can be burdensome. 100 percent foreign ownership is permitted.	N/A

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Burkina Faso	N/A	Nearly all consumer goods, capital goods, and fuel must be imported. Although a significant economic reform program began in 1991, including plans to cut government spending and privatize several state-owned industries, little progress has been made. Numerous taxes and surcharges bring the average tariff rate to over 15 percent of an imported item's value. Some import bans and quotas exist. Many domestically-produced items are subsidized.	Few restrictions on FDI. New investment code adopted in 1992 that treats foreign and domestic firms equally. One-stop investment clearing agency has encouraged new enterprises. Government heavily regulates and controls the banking system through direct ownership of many banks but plans to privatize some. Private property is subject to government expropriation and in some cases can take years to resolve. Establishing a business can be difficult if the business intends to compete with a state-owned company. Regulations can be applied unevenly and inconsistently.	240
Burundi	N/A	Struggling to establish a stable political environment and market system. Ethnic tension and violence continue. Ethnic conflict and unstable borders remain the most significant barriers to trade.	Domestic and foreign firms are treated equally and the government actively seeks FDI, but the country remains in turmoil. Most significant barriers to FDI are underdeveloped financial institutions, unsafe conditions, and insecure borders. Private property subject to expropriation by government and by armed bandits. Government attempting to privatize many state-owned enterprises, but crime and theft remain problems. Judiciary dominated by political and ethnic interests. Outmoded legal code. Establishing a business is allegedly difficult because of a massive and corrupt bureaucracy.	180
Cameroon	28	About 40% of government revenue is raised from tariffs. Customs fraud is alledgedly a problem and protracted negotiations with customs officers over the value of imported goods is not uncommon. Banking sector is in crisis; several state-owned banks are near collapse, and several French banks are reducing their presence. Government controls prices on some items, both by owning and operating enterprises and by officially dictating the prices of some goods that are produced in the private sector. Price controls are imposed on pharmaceuticals, petroleum products, and goods and services provided by public monopolies. However, the *Continued*	Privatization is sluggish although rules have been improved. More than a dozen parastatals and public enterprises are scheduled to be privatized by mid-1999. Most sectors are open to FDI, but government is partial to investments from France and, in some cases, reportedly blocks investment from other countries. Investment is approved on a case-by-case basis. FDI is declining because of deteriorating economic conditions. Local and foreign investors have found it very complicated and costly to enforce contract rights, protect property rights, obtain a fair and expeditious hearing or defend themselves against frivolous lawsuits.	650

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Cameroon—Continued		market does determine most prices. Existing regulations are applied unevenly and impose a huge burden on businesses. Establishing a business is a complicated procedure and it is difficult to hire expatriate employees.		
Cape Verde	20	Another poor year for the agricultural sector in 1997-98 forced government to speed up economic reforms launched in 1991, particularly privatization of parastatals. (The state-owned sector is significant.) Privatization law was revised in late 1997 to allow more foreign participation and to streamline the sales mechanism. Plans are underway to develop a Cape Verde stock market. NTBs include strict import licences and documentation requirements.	Current levels of FDI are quite low, with most foreign investors coming from Europe, particularly Italy and Portugal. Nearly all sectors open to investment, but with some restrictions. Delays often occur when revenue is connected to another currency and sent to the investors' home country. Approval process for some investments can be slow. Banking system is underdeveloped. Financial services to the private sector are limited. Establishing a business can be burdensome if it competes with the state-owned sector. Regulations are applied evenly in most cases, but some corruption and a growing domestic monopoly in certain industries make it difficult to open new businesses.	N/A
Central African Republic	N/A	Relies on external aid. Political instability during the mid-1990s disrupted economic progress. Smuggling of diamonds and other items has depressed foreign currency earnings and tax and customs revenue. Inadequate transport infrastructure inhibits trade and is major constraint on economic development.	N/A	320
Chad	N/A	World Bank and IMF largely dictate economic policy due to dependence on foreign aid. Despite an economic liberalization program, little progress has been made and growth prospects are dim. A significant deterrent to trade is an unsafe and non-navigable road system; emergency services are *Continued*	Equal treatment for domestic and foreign firms, but country's reputation for hostility to foreign investment and its conflict with Libya remain greatest impediments to foreign investment. Investors who left Chad during war years of 1979-1982 have only recently begun to regain confidence in the country's future. Other problems include a strict investment *Continued*	240

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Chad—Continued		nonexistent and travelers on roads in all areas are subject to attacks by armed bandits. Tax system changes constantly; collection nearly impossible. Main focus of government taxation is government appropriation of agricultural crops and goods produced by merchants.	review process, a hostile state-owned sector, corruption, and a cumbersome bureaucracy. Privatization program is moving slowly. Establishing a business is difficult because of Chad's massive and allegedly corrupt government bureaucracy. Regulations often applied irregularly.	
Comoros	N/A	Economy relies heavily on external aid, tourism and the export of vanilla, cloves and oils used in the manufacture of perfumes. World Bank has outlined measures to improve the economy, including: greater control of the wage bill, reduction in public-sector staff, increased customs and fiscal revenues and privatization of state-owned companies. Privatization of state-owned enterprises has been impeded by inter-governmental dissension. Important sources of foreign assistance have dried up because of inability to pay mounting arrears on foreign debt. There are allegations of corruption. Political instability has impeded economic progress.	The government has a policy of welcoming foreign investment and is prepared to offer tax and other concessions to foreign investors. However, deep-seated political problems have kept investment minimal and opportunities limited. Physical infrastructure is poor, including a limited road system. Power outages were frequent during 1997. Transportation and communications systems are unreliable.	N/A
Congo (DROC)	N/A	The 1997 change of government has reduced trade. Corruption is allegedly rampant in the customs sector. According to the U.S. Department of State, as of June 1997, customs and immigration services had not been fully reestablished in Kinshasa. A new tax collection system is not yet in place, with result that government arbitrarily targets civilians and businesses to collect revenue.	Foreign investment has slowed significantly since change in government. It is not clear whether former Zairian commercial code and foreign investment code will apply. Banking system has collapsed and though some small banks have tried to reopen for business, they are hampered by unreliable money supply. Little official control over prices and wages. Most economic transactions are conducted as barter arrangements, and traditional market pricing mechanisms have ceased to exist, although market prices apply for some goods in rural areas. Private property is not secure because of alleged corruption, and recent instances of government expropriation, including the largest railway. According to the U.S. Department of State, the new government has yet to take full control of country. Chaos and violence continue. Almost all economic activity is conducted in the black market.	110

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Congo (ROC)	>30	Most significant NTBs are red tape, an inefficient customs service, and the alleged outright theft of imported goods by government officials.	Investors face hostile government bureaucrats and labor conditions. French vested interests can work against foreign investment. As a result, new FDI is virtually nonexistent outside the petroleum and retail sectors. One-stop shop to attract investors has been established. Banks are limited in their ability to operate. Prices are controlled through large parastatals, which are subsidized by government. Expropriation of property is possible. Alledgedly, government regulators often request bribes. Regulations are burdensome and enforced haphazardly.	660
Côte d'Ivoire	25.5	Tariffs have been reduced but they remain high. Quotas exist for some goods. Government has monopoly on rice imports and bans certain other imports, such as poultry products. Customs procedures can be burdensome. High trade barriers makes the smuggling of many items, primarily consumer goods, a lucrative business.	Some industries are closed to FDI. Foreign investors remain wary because of crime, corruption, an inefficient and abusive bureaucracy and unstable legal protections. Bureaucracy is allegedly cumbersome and subject to political manipulation. Government is trying with limited success to reduce red tape by making it easier for businesses to conform to government regulations, but private sector remains highly regulated. Labor legislation is onerous.	690
Djibouti	N/A	Significant barriers to imports include alledged corruption in the customs service, inadequate infrastructure, and poor banking and financial services.	Open to FDI but investments must be reviewed by government and some sectors—mainly in areas the government has determined to be vital to national security—are closed. Banking system is very open and competitive, but lacks sufficient capital to finance economic expansion. Alledgedly, corruption in government is a burden in business and bribes are often necessary to do business. Health and supply regulations add to cost of doing business.	N/A
Equatorial Guinea	N/A	Relies on external aid from Spain and international lending institutions. Export base dependent on timber and petroleum. Reportedly, the customs administration is deteriorating and there is systematic tax evasion by the large timber industry.	Inadequate physical infrastructure, including road network, harbors, and airports is an impediment to investment.	N/A

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Eritrea	3-50	Heavily dependent on external aid. War had largely destroyed the economy and infrastructure. Eritrea is committed to implementing a liberal trade and exchange regime. In 1994, new tariff regime was adopted. However, major problems include: high tariffs (on luxury items), sales tax on all imports, bans on importation of certain goods, non-tariff barriers, state monopolies, cumbersome bureaucracy, inefficient customs procedures, and outdated banking system. Economic performance is hampered by lack of capacity to produce energy. Road network is in disrepair. Serious environmental degradation due to war.	Program of economic reforms governing investment, land tenure, monetary and fiscal policy and trade was adopted in 1994. Joint venture prerequisites were to be eliminated, equal treatment for private and foreign investors was to be provided, taxes on profits reduced and remission of capital profits was to be unrestricted. State enterprises were scheduled for privatization. In practice, many of the provisions are not being implemented. Investors face frustrating delays due to devastated infrastructure, antiquated methods of doing business, unformed policies, and lack of a skilled workforce.	N/A
Ethiopia	16.36	Has liberalized trade, partly by eliminating the negative list of imports and lowering tariffs. Customs operations can be cumbersome and inefficient, and result in substantial delays in bringing goods into the country.	Government has made progress in dismantling a hostile foreign investment climate erected by the previous Marxist regime. Sectors closed to FDI include defense, large-scale electric power generation, and such services as postal, telecom, financial, some export/import, and major transportation. Ethiopians have priority for investment. Other impediments include a $500,000 minimum investment requirement and regulations designed to encourage Ethiopian participation in management. Some tax incentives for foreign investors. Foreign ownership of Ethiopian banks is not allowed and foreign-owned banks may not operate. Price controls have been removed on most products, although a slow and inefficient privatization program leaves large sections of the economy in government hands, often hindering price competition. Privatization of state farms is a long-term objective, but urban land will remain the property of the state, available to the private sector only through revocable long-term leases. Red tape and corruption weaken property rights. Judicial system is subject to political influence and is weak and overburdened. Many legitimate economic activities are allegedly driven underground by repressive authorities.	110

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Gabon	32.5	High tariffs, particularly on electronics and vehicles. Quantitative import restrictions on sugar, vegetable oil, soap, mineral water, and cement. Rice and wheat are subject to import licenses. Customs process is slow and burdensome and fraud is allegedly a problem. Import bans on a number of items have been lifted, although some were replaced by quantitative restrictions.	Government participation in investment no longer required. Foreign investors face only minimal restrictions in most areas, and government has allowed foreign-owned operations to compete with domestic companies. Very few areas closed to FDI, but government dominates the most lucrative sectors. Many delays in investment approval process. No free trade zones, but tax holidays for certain investors are available. Sophisticated and open banking system. Price controls on 17 goods and most services, including insurance and construction. Relatively high minimum wage. Regulations make business environment increasingly complicated. A “Gabonization” program, instituted in 1992, forces employers to decrease the number of foreigners in their workforce.	4,230
The Gambia	13.5	Import bans apply mainly to over-the-counter medicines.	Government provides equal treatment for domestic and foreign firms and actively seeks FDI. Investments are approved on a case-by-case basis. Banking system is very underdeveloped. Legal system is efficient, fair and independent but is also overburdened with a backlog of unresolved cases, and judgements can take several years. Establishing a business can be difficult because of corruption in bureaucracy. Bribery and embezzlement are allegedly prevalent among fee-collecting officials. Large black market.	N/A
Ghana	11.66	Government has eliminated import licenses and quotas, and significant NTBs no longer exist. Privatization has stalled due to opposition from organized labor. Government dominates several sectors: petroleum, steel, diamond, timber, marketing, retail and construction. An ongoing phase of reform has focused on removing the structural impediments to accelerated growth and output by improving efficiency and resource allocation. Steps have been taken to enhance private sector development, improve public sector management and reform the state-owned enterprises sector.	Some activities are closed to FDI and wholly-owned foreign firms must meet a $200,000 investment minimum. Bureaucracy creates considerable barriers to doing business. Lack of transparency and overregulation create an element of risk for foreign investors. Licensing process for businesses can be burdensome.	370

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Guinea	8	Progress on economic reform has been slow. Licenses required for restricted goods like cement, rice, wheat flour and other agricultural products. Some imports require special authorization from the Central Bank.	New investment is screened carefully and there are some restrictions on repatriation of capital. FDI allowed in many sectors. Few restrictions on banks and most are private as a result of privatization in 1980s-90s. Price controls have been removed on most items but remain on fuel, taxis, and bus fares. Property rights are not completely secure. An inefficient judiciary and poor law enforcement prevent full legal protection. Land tenure system established in 1992 has not been administered successfully and the government has reclaimed properties that business had acquired previously through privatization. Alledgedly, corruption complicates even simple business transactions.	570
Guinea-Bissau	N/A	Country has little industrial activity and relies greatly on external aid. Program of structural adjustment was initiated to strengthen the role of the private sector by removing controls on prices and marketing and by reforming the public sector. Government's objectives for 1996-1998 included reductions in customs exemptions and enhanced efforts to recover taxes and duties to increase public revenue. Country is adapting to recent conversion to the CFA franc.	In early 1990s new measures were enacted to attract domestic and foreign investment. Failure to meet some privatization targets led to temporary suspension of IMF financing. New economic minister committed to establishing one-stop shop for all agencies dealing with the private sector.	240
Kenya	12.22	Current administration in frequent conflict with international financial institutions and donor countries because of failure to address effectively corruption cases and lack of progress in economic reform. This conflict caused the IMF and World Bank to withhold credit to Kenya in July 1997, contingent upon implementation of anticorruption measures. Import licenses abolished in 1993. Customs procedures are onerous. Some imports, including dairy products, are banned.	Foreign ownership of some enterprises is permitted and most sectors are open to foreign participation. Parastatals up for privatization on the Kenyan Stock Exchange are limited to 40 % foreign participation. Export promotion zones offering tax breaks have been established, but because investments are approved on a case-by-case basis and the procedures for obtaining approval are burdensome, arbitrary, and often corrupt, foreign investment is declining. Presidential approval is *Continued*	330

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Kenya—Continued			required for foreign acquisition of agricultural land. FDI is not permitted in insurance or government sanctioned monopolies. Banking has been deregulated. Price controls lifted in almost every sector, including petroleum. Companies can register relatively easily, but some have had their operating licenses arbitrarily suspended.	
Lesotho	12	Completely surrounded by South Africa, Lesotho depends on it for access to trade and employment opportunities. Employment in South African mines, the main source of Lesotho's very high level of income from abroad contributed 32 % of GNP in 1994. Recently reduced trade barriers and some taxes. As a member of the Southern Africa Customs Union (SACU), Lesotho has reduced barriers to trade but is very dependent upon SACU tariff revenues.	Some informal restrictions on FDI in areas competing with domestic local investment. Established investment code but it has few incentives. Establishing a business can be difficult if the business competes directly with a state-owned company or government sanctioned monopoly.	670
Liberia	N/A	Civil war has resulted in considerable destruction, looting and deterioration in the modern sector of the economy and the infrastructure. Over 1.2 million people have become internally displaced. Continuing factional violence has proved an impediment to economic reconstruction. Rehabilitation of the infrastructure and restoring business confidence are dependent on maintenance of civil order following elections in July 1997.	Road network is inadequate and in disrepair. Shipping activity has been disrupted and airports damaged due to periodic fighting. Electricity supplies have been erratic or non-existent during civil conflict.	N/A

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Madagascar	N/A	Much of the agricultural land is state-owned. Some barriers to trade were reduced, but have recently increased and progress on economic reform has been slow.	Outside the free trade zone, foreign investors are not treated equally with domestic investors. Restrictions on foreign investments in banking insurance, energy, water, hydrocarbon production, mining and petroleum industries. Foreigners are not permitted to own land. The bureaucratic process for establishing a new enterprise is time-consuming and not transparent. Foreign investors must demonstrate the social value of their investments. Security of private property and the enforcement of contracts not adequately protected by the judicial system. Allegedly, obtaining business licenses and permits often involves bribery, and the bureaucracy tends to operate in an arbitrary manner.	250
Malawi	15.2	Market prices for goods are generally not controlled. NTBs include strict import licenses on imports of fresh meats, gold, sugar, and military and hunting items. In 1997, trade licensing was reduced and now covers 13 import and 4 export commodities. Physical infrastructure is deteriorating.	FDI encouraged in industries that produce goods for export. FDI not restricted in coffee, sugar or tea industries. Non-citizens must obtain labor licenses to work and these are not granted if the government determines that Malawi citizens are available and able to do the work. New, large privatization program aims at selling largest parastatals. Despite plans to eliminate marketing boards, they still control the sale of agricultural products such as corn and fertilizer. Health and safety regulations are enforced erratically, confusing businesses.	220
Mali	10	Although the average tariff is 10%, the government relies on a complex system of fiscal duties ranging from 5-30%. Most import barriers have been lifted, although import licenses are still required. Import taxes on many goods were lowered or eliminated in 1994.	FDI permitted in all sectors. Foreign investors are offered a few incentives and face few restrictions. Allegedly, corruption increases risks of doing business.	260
Mauritania	35	Adhering to its economic reform agenda which includes reducing government spending. Trade restrictions include strict labeling and inspection requirements. Allegations of a sometimes corrupt and inefficient customs agency.	Has passed laws to attract foreign investment. Foreign and domestic firms enjoy equal treatment and there are few legal barriers. In spite of some problems—official corruption, lack of infrastructure, and a very poor population—the new investment code has been *Continued*	450

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Mauritania—Continued			successful in opening the economy to foreign investment. Banking system remains chaotic despite some reforms and is small and underdeveloped. Private property is not safe; the legal and judicial system is inefficient and sometimes corrupt. Although regulations are cumbersome they are applied fairly evenly and establishing a business is becoming easier.	
Mauritius	0-80	Economy is among the strongest in Africa. Relatively streamlined trade regime, although certain problems remain, including two-tiered system whereby certain countries are given preferential duties. Import permits required for numerous items and some products are banned from import. State enterprises control some commodities. Export licenses required for some products. The current 8% sales tax will be replaced by a VAT of 10% effective September 1998; goods exempted from the VAT include basic foodstuffs, pharmaceuticals, medical services, educational and training services, books, and fertilizers. Unlike the sales tax, the VAT will also apply to water, electricity, telephone, and other utilities.	Government welcomes foreign investment, especially in export-oriented industries. Tax concessions and other incentives have been extended to services and to companies in the free trade zone and the offshore banking and business center. All foreign investment must obtain approval from the Prime Minister's office. Foreign participation may be limited to 50% for investments serving the domestic market. Foreign ownership of services limited to 30%. Government controls several key sectors. Protection of property guaranteed. Business regulations generally transparent. Infrastructure is adequate, but nearing capacity. A Copyright Act was approved in July 1997 that specifically protects computer software and electronic databases, while extending protection of audio and video production. This new Act has helped encourage FDI in IPR-sensitive areas.	3,800
Mozambique	N/A	Significant economic reforms have been implemented, including some trade liberalization such as simplification of licensing procedures. Reforms in customs have been underway since 1996, but corruption remained a problem. A private company was contracted to manage customs operations in 1997. Banking sector has been reformed and as of 1997, all banks are now private. A new stock market is expected to debut in 1998.	One-stop shop for approval of investments. Feasibility studies are requested and a burdensome bureaucracy can frustrate business, especially small investments. Infrastructure and a few other areas are off limits to private investment. Free trade zones established in 1993, but their terms are not comparatively attractive. Strong deterrents to FDI include political risk, corruption, bureaucratic red tape, dilapidated infrastructure, and the relatively small size of the market. Some price controls lifted in 1994, but remaining apply to wheat, flour, bread, rents, fuel, utilities, newspapers, transportation and a few other services. Land tenure and property rights regime is fairly *Continued*	90

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Mozambique—Continued			chaotic. Technically, all land belongs to the state. Court system fails to protect property rights. Registering a company is a cumbersome and secretive process, with considerable red tape. Privatization program has been largely successful; the few remaining parastatals are functioning more autonomously and on a commercial basis.	
Namibia	N/A	Majority of imports from outside SACU are subject to high import tariffs. An additional sales tax of up to 15 percent is levied on all imports. Export controls are maintained on exotic and indigenous animals. Allegations of alleged favoritism and nepotism have been raised in the awarding of contracts. Excellent transportation, telecommunications, and utilities infrastructure. Sophisticated financial services sector and sound legal system.	Government is committed to encouraging foreign investment. The 1970 Foreign Investment Act guarantees foreign and domestic investors equal treatment, fair compensation in the event of expropriation, remission of profits and access to foreign exchange. Investment incentives and special tax incentives are also available for the manufacturing sector. Although state influence with the private sector is minimal, parastatals continue to control key sectors of the economy.	2,220
Niger	18.3	Economy is plagued by a large public sector, a bloated bureaucracy, corruption and a very large black market. There are some NTBs, primarily import bans and import substitution policies. Many items (e.g., bottled soft drinks, sheet metal, soap) require special authorization from Ministry of Commerce—likely to protect entrenched local producers and importers.	Equal treatment for domestic and foreign firms, although there is a strict investment review process, and a hostile state sector. Bureaucracy is cumbersome and often delays investments. Private property is subject to expropriation. Privatization program is underway and has had some success. Establishing a business can be difficult; the government is massive and allegedly corrupt; bribery is sometimes present. Regulations often applied arbitrarily.	200
Nigeria	18.3	All goods are subject to additional administrative surcharges totaling 6%. The list of banned imports includes maize, eggs, processed wood, textiles, and used vehicles. Ban on wheat imports has been lifted. Customs process is burdensome.	Various foreign investment reforms were implemented in 1995 including repeal of laws requiring the employment of Nigerians. Foreigners may now own 100% of any Nigerian enterprise. Long delays in investment approval process and procedures sometimes applied arbitrarily. Price controls abolished in 1987, although some products, including petroleum, are subsidized. Strong resistance to privatization among Nigeria's labor unions and the enforcement of laws protecting property remains lax. Process for establishing a business *Continued*	260

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Nigeria—Continued			has been streamlined, although problems remain. Investors must contend with bureaucratic delays, corruption, and a complex set of restrictions and regulations. Other problems: inadequate and poorly maintained infrastructure; autocratic military government; increasing labor problems; complicated, confusing and inconsistent regulatory environment; the importance of personal ties in doing business; and rampant corruption.	
Rwanda	10-60	Devastating internal conflicts have severely crippled the economy and the country continues to struggle to recover. Borders are virtually closed to commerce, mainly because of civil unrest. Poor communications, transportation, and health services continue to make travel in country difficult and potentially hazardous. The import licensing system is simple and fast, but customs clearance on imports is hindered by bureaucratic hurdles.	Most significant threats are armed bandits, rampant street crime and lack of freedom of movement. The government is trying to control criminal activity, establish a modern investment code, and reform legal institutions to protect contracts. Financial system remains in disarray. Private property subject to confiscation by warring factions and corrupt officials. Government has yet to establish a regulatory regime. Most business regulations are chaotic and subject to change.	210
São Tomè and Principe	N/A	The economy is based almost exclusively on the export of cocoa and has been in decline since 1975. In 1997, following a review of the country's finances, the World Bank threatened to withdraw support if it failed to implement the necessary measures to qualify for the HIPC initiatives. The World Bank urged the government to take immediate measures to increase fiscal discipline and to combat corruption. Increasing macroeconomic imbalances have been caused by low revenue owing to tax evasion, the exemption of import duties on 73% of all imports, and excessive public spending. In 1997, the IMF urged the government to take urgent measures to curb inflation and stem the rapid devaluation of the currency.	Improvement in communications infrastructure has helped efforts to develop tourism. Tourism is the sector attracting the most interest of foreign investors.	N/A

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Senegal	10	Senegal has adopted a floating external tariff of 10%, down from an average tariff rate of over 30% during 1990-93. Trade restrictions include some import bans, import licenses, and strict documentation requirements. Civil unrest and violence are increasingly more common.	FDI is not allowed in the food and fishing industries, although 100% foreign ownership is permitted in most other areas. Foreign and domestic firms are treated equally. State controls railroads, electricity, telecom, and postal services. Privatization program has been successful. Efficient legal system. Establishing a business can be onerous if the business will compete with a state-owned enterprise. Allegations of corruption have been made concerning government procurement, dispute settlement, and regulatory and enforcement agencies.	550
Seychelles	N/A	A severe shortage of foreign exchange and a decline in foreign assistance have slowed economic growth in recent years. Import restrictions (approvals, permits), the foreign exchange shortage, and onerous regulations are the biggest constraints to doing business. Trade regulations are restrictive and many are at variance with WTO standards. In conjunction with its WTO application, the government has undertaken an intensive review of trade and investment policies that may lead to liberalization. A number of privatizations of parastatals are under consideration.	Several government organizations have been established to assist potential foreign investors. Investors who establish export-oriented operations in the trade zone are exempt from paying social security, business and utility taxes. Infrastructure is generally good with transportation and communications adequate for most purposes.	N/A
Sierra Leone	25	NTBs include excessive government red tape. Banking system is in disarray. Price controls on certain foods.	All investments must be approved by the government which has established an investment code. Foreigners are not permitted to invest either with “local industries” such as cement block manufacturing, or granite and sandstone excavation, or in the manufacture of certain durable consumer goods. Private property can be expropriated. Legal system is inefficient. Regulations are applied haphazardly, making compliance difficult.	200

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Somalia	>30	Biggest impediment to trade is the tendency of corrupt customs officials to confiscate goods for personal use. Clan militias have destroyed what was left of a centralized customs service. Economic prospects have improved with the signing of successive cease-fire agreements, but because country still lacks rule of law, massive transfers of humanitarian aid and grants have had little effect. Violent crime is common, greatly impairing the movement of goods across borders.	Country has been ruined by conflict and military fighting is a continuing threat. Kidnapping and other threats to foreigners occur unpredictably in all regions. It is not uncommon for militias to confiscate goods (particularly food) from their producers and distribute them freely to their supporters. Establishing a business is nearly impossible. Meeting official requirements is beyond the ability of most entrepreneurs, so they simply operate in the black market. No clear protection of foreign investment. Alleged that corruption is rampant.	N/A
South Africa	12	Government committed to economic liberalization. The list of restricted goods requiring import permits has been reduced, but still includes such goods as foodstuffs, clothing, fabrics, wood and paper products, refined petroleum products and chemicals. Price controls, once pervasive, now exist only on coal, gasoline, and some utilities.	Government approval is not required for investments. Foreign and domestic investors are treated equally and foreign investors are free to acquire land. Foreign-controlled firms are subject to domestic borrowing restrictions. Judiciary is effective and efficient. Squatters and crime are problems.	3,400
Sudan	24-56	Increasingly isolated internationally. U.S. Department of State has determined that it is supportive of terrorism. Modest economic liberalization has been introduced, but economy continues to deteriorate. Import and export licenses have been eliminated. Corruption is allegedly rampant in Customs.	Islamic government is sensitive to outside interference in its affairs and this makes for an inhospitable investment climate. FDI is approved on a case-by-case basis; it is not permitted in wholesale or retail companies or in the production of cotton. Bureaucratic procedures designed to encourage the employment of domestic laborers are cumbersome. No tax discrimination against foreign investment, but foreigners often find it nearly impossible to move about the country. Bureaucratic inefficiency makes business activity difficult. Regulatory burden is heavy.	N/A
Swaziland	12	No significant NTBs. A new investment authority and anti-corruption unit are designed to help stimulate the private sector and a broad range of new enabling legislation is pending.	Investment in the industrial sector has declined since the political transformation in South Africa. FDI is encouraged and nationalization of foreign-owned property is prohibited by law. Foreign and domestic firms treated equally. Few formal barriers. Government is developing a consistent and cohesive foreign *Continued*	N/A

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Swaziland—Continued			investment code. Regulatory system has been streamlined. The social and economic reform agenda was launched in 1997 and sets goals to improve social services, enhance the quality of governance, and stimulate private sector investment as the engine of growth.	
Tanzania	8.6	Market reforms introduced in late 1980s and have made limited progress toward liberalizing the economy and improved GDP growth. Still relies heavily on foreign aid, but relations with international donors are fragile because of inflation and corruption. Major NTB is inefficient customs system. Clearance delays and extralegal levies are common. Excessive regulation is hurting the private sector; many provisions are outdated and reflect conditions in the colonial era.	New investment code has created more favorable climate. Single-stop FDI approval office has been established. Bureaucratic impediments include the necessity to acquire business licenses, company registrations and other documentation from a cumbersome bureaucracy. Foreign ownership of land is prohibited. Government has committed to privatization of major public utilities (telecom, power, water, sewerage) as well as transport enterprises (railway, ports, airline).	210
Togo	N/A	Government's decade-long effort to implement economic reform measures, encourage foreign investment and bring revenues in line with expenditures has stalled. Political unrest has jeopardized the reform program, shrunk the tax base, and disrupted vital economic activity. Resumption of World Bank and IMF flows will depend on implementation of controversial moves toward privatization and on downsizing the military.	N/A	330
Uganda	30	Government has displayed a dedicated commitment to economic reform and has been very successful in maintaining macroeconomic stability. Ministry of Commerce reserves the right to restrict the import of goods that compete with locally produced items. Beer, cigarettes and a few other imports are banned.	Foreigners may not own agricultural land. Privatization program is underway. Bureaucratic efficiency has been improved significantly. Many barriers to investment are being reduced.	320
Zambia	7.96	Economic liberalization agenda has suffered significant setbacks. Government has been tainted by corruption allegations.	Few sectors are closed to FDI. Foreign and domestic investors are treated equally. Foreign investment is screened by an investment board, which operates quickly and efficiently. Price controls have been *Continued*	380

See notes at end of table.

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

Country	Average tariff rate (percent ad valorem)	Trade climate	Foreign investment climate	GNP per capita, 1997 (dollars)
Zambia—Continued			removed, and most subsidies eliminated. Acquiring a business license is a growing problem and labor laws are both burdensome and expensive to comply with. Residence permits are difficult to acquire. Privatization program, which began in 1992, has had some successes but has been sluggish in recent years.	
Zimbabwe	30	Recently eliminated most price controls. The future of market reform is uncertain because principal elements in the government oppose liberalization. Little progress made toward privatization. Customs procedures are complex, and concerns over cheaper South African imports could lead to additional protectionist measures. Some textile and apparel imports are banned.	The 1992 investment code liberalized foreign investment regulation substantially. In 1994, however, foreign participation was banned in several sectors, including much of agriculture, forestry and transportation. In 1997, the Government announced it planned to expropriate all land owned by white foreigners and foreign companies for redistribution to black citizens. Prior government approval is required for all FDI. Wages and employment are heavily regulated. Government permission required to commence virtually any economic activity. Use of foreign nationals severely restricted. Bureaucracy lacks transparency and is highly arbitrary.	750

N/A—Not available.

Sources: Trade Compliance Center, ITA, U.S. Department of Commerce, *Country Commercial Guides*, found at http://www.mac.doc.gov/tcc/country.htm; U.S. Department of State, *Country Commercial Guides*, found at http: www.state.gov/www/regions/africa/af_countryinfo.html#A; Heritage Foundation and Wall Street Journal, *1998 Index of Economic Freedom*, Washington, DC, 1998; *Africa South of the Sahara*, 1998, Europa Publications Limited, London, September 1997; World Economic Forum (Geneva), *The Africa Competitiveness Report*, 1998; U.S. Department of State telegram, “IMI: Eritrea Investment Climate Prospects and Challenges,” message reference No. 00738, prepared by U.S. embassy Asmara, Mar. 6, 1998; U.S. Department of State telegram, “IMI: Eritrea: Trade Barriers and Market Access,” message reference No. 00976, prepared by U.S. embassy Asmara, Mar. 24, 1998; U.S. Department of State telegram, “Minister Looks Towards Privatizing State,” message reference No. 02589, prepared by U.S. embassy Bissau, Sept. 22, 1997; U.S. Department of State telegram, “1998 Investment Climate Statement - Seychelles,” message reference No. 00397, prepared by U.S. embassy Port Louis, Mar. 5, 1998; U.S. Department of State telegram, “1998 Investment Climate Statement—Namibia,” message reference no. 000622, prepared by the U.S. Embassy, Winhoek, Feb. 24, 1998; *CIA Fact book*, found at http://www.odci.gov/cia/publications/Fact book/to.html; World Bank, *1998 World Development Indicators*, pp. 12-14; and World Bank, *World Development Report*, 1998/99, pp. 190-1.

CHAPTER 2
U.S.-Sub-Saharan Africa Trade and Investment

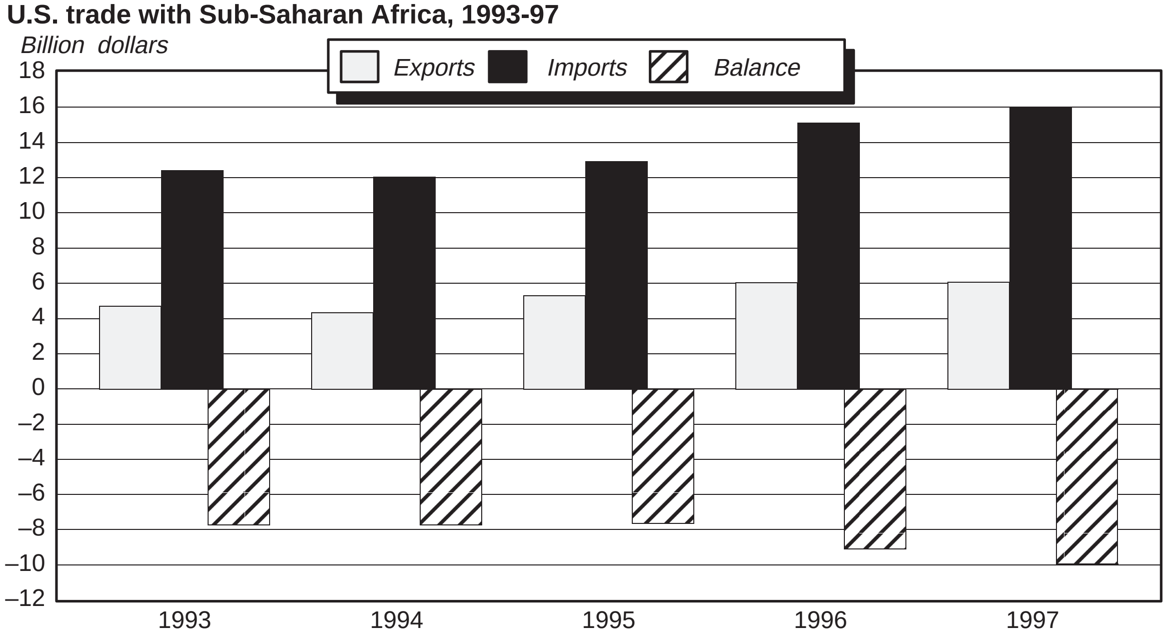
This chapter examines U.S.-Sub-Saharan trade (merchandise and services) and investment flows during 1997. The discussion of merchandise trade flows is presented for the major U.S. trading partners in the region, as well as by the main subregional groupings. Data for merchandise trade flows are also provided for 1993-1997; prior reports in this series provide data and information dating back to 1990.[1]

U.S. Merchandise Trade

Figure 2-1 depicts trends in U.S.-Sub-Saharan merchandise trade from 1993 to 1997. Total two-way trade between the United States and the region increased to another record high, for the third year in a row, to $22.0 billion. U.S. merchandise exports totaled $6.1 billion in 1997, about 0.9 percent of total U.S. merchandise exports of $643 billion that year. Shipments of transportation equipment accounted for more than one-quarter of U.S. exports to the region. Merchandise imports from Sub-Saharan Africa totaled $16.0 billion in 1997, representing about 1.9 percent of the United States' total merchandise imports of $862 billion. The United States ran a continuous merchandise trade deficit with the region in the 1990s, reaching $9.9 billion in 1997. As in prior years, most of the trade deficit is attributable to U.S. imports of energy-related products, namely crude petroleum (table 2-1). Trade with three countries, Nigeria, South Africa, and Angola, accounted for more than two-thirds of U.S. trade with the region. Total two-way trade with Nigeria in 1997 totaled $6.8 billion, $5.4 billion with South Africa, and $3.2 billion in two-way trade with Angola. Figure 2-2 depicts the trend in U.S. trade with Sub-Saharan Africa when petroleum trade is excluded.

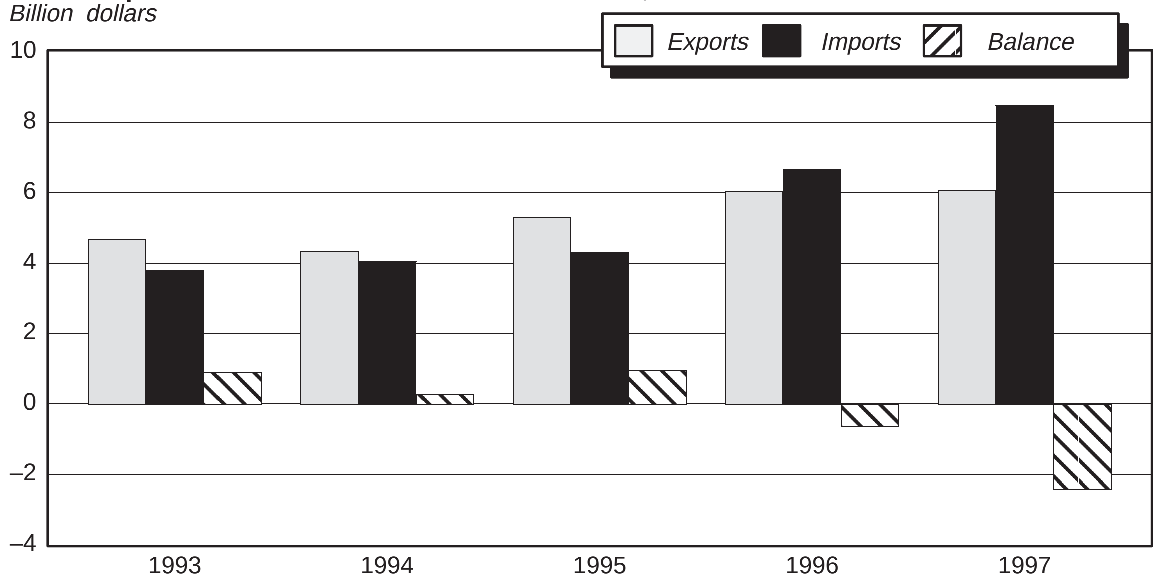
[1] For data series beginning in 1990, see USITC, *U.S.-Africa Trade Flows and Effects, First Report*, USITC publication 2938, January 1996, table 2-1, p. 2-2.

Figure 2-1
U.S. trade with Sub-Saharan Africa, 1993-97



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

Figure 2-2
U.S. non-petroleum trade with Sub-Saharan Africa, 1993-97



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

U.S. Merchandise Exports

From 1996 to 1997, U.S. merchandise exports to Sub-Saharan Africa rose by about 0.4 percent, from $6.0 to $6.1 billion. In comparison, the increase in exports from 1995 to 1996 was 14.1 percent.[2] The major U.S. commodity exports to Sub-Saharan Africa are shown at the six-digit level of the Harmonized Tariff Schedule of the United States (HTS) in table 2-2. Seventy-eight percent of U.S. merchandise exports to Sub-Saharan Africa were from the following five sectors: transportation equipment, machinery, electronic products, agricultural products, and chemicals (see figure 2-3). Exports of transportation equipment, the sector with the greatest value of exports to the region, rose by 1.2 percent over the period 1996-97 to more than $1.7 billion. The overall export growth in this sector from 1993 to 1997, however, was 44.1 percent. During the period 1996-97, exports of machinery grew 6.9 percent, exports of electronic products rose 5.5 percent, agricultural products exports fell 15.3 percent, and chemicals exports rose 7.6 percent. The overall growth rate in exports of these five sectors during 1996-97 was 0.6 percent; however, the average annual growth rate of these five sectors' combined exports since 1993 was 5.9 percent.

Although Nigeria was the United States' largest trading partner in the region in 1997, accounting for over $6.8 billion worth of trade, South Africa is the largest consumer of U.S. merchandise exports in all product sectors. South Africa accounted for more than 48 percent of all regional purchases of U.S. exports (see figure 2-4). Nigeria is the second largest market for U.S. exports in the region for all sectors except textiles and apparel (Benin is the second largest market for that sector), footwear (Togo), and miscellaneous manufactures (Ghana). The U.S. export sector that saw the greatest growth in South Africa was footwear, growing by 79 percent over 1996 levels. The largest decline in U.S. exports to South Africa was in the agricultural sector, with agricultural products declining by 26 percent from 1996 exports. Similarly in Nigeria, U.S. exports of footwear products increased almost 25 percent, but U.S. agricultural product exports fell more than 35 percent. U.S. exports of machinery to Angola experienced the greatest growth in that country, increasing by 97 percent over 1996 levels, but minerals and metals experienced the greatest decline of all U.S. shipments to Angola, decreasing more than 23 percent from 1996 exports.

[2] See Chapter 4 for details on trade flows by sector.

U.S. Merchandise Imports

U.S. merchandise imports from Sub-Saharan Africa rose by 5.7 percent from $15.1 billion in 1996 to $16.0 billion in 1997, a decrease in the rate of growth from the previous year (table 2-1). As in previous years, energy-related products—mostly crude petroleum—constitute most of U.S. imports from the region. However, the share of energy-related products in U.S. imports from the region fell from a 71 percent share in 1996, to a 69 percent share in 1997 (figure 2-5). Minerals, metals, and agricultural products held

Table 2-1
Sub-Saharan Africa: U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by major commodity sectors, 1993-97[1]

(Million dollars)

Item	1993	1994	1995	1996	1997
U.S. exports of domestic merchandise:					
Agricultural products	875	779	936	892	756
Forest products	176	170	236	204	205
Chemicals and related products	494	486	707	689	741
Energy-related products	125	113	148	241	224
Textiles and apparel	155	142	171	201	205
Footwear	7	10	9	14	17
Minerals and metals	155	148	220	281	250
Machinery	605	581	636	763	815
Transportation equipment	1,199	937	1,182	1,707	1,728
Electronic products	644	674	752	729	769
Miscellaneous manufactures	51	72	55	64	77
Special provisions	211	227	247	260	282
Total	4,697	4,339	5,299	6,046	6,069
U.S. imports for consumption:					
Agricultural products	670	685	687	858	915
Forest products	66	75	101	114	102
Chemicals and related products	128	153	235	526	836
Energy-related products	9,056	8,421	9,046	10,694	11,014
Textiles and apparel	329	406	426	396	471
Footwear	4	4	1	1	1
Minerals and metals	1,938	2,056	2,143	2,178	2,269
Machinery	41	44	53	79	68
Transportation equipment	29	34	54	71	80
Electronic products	20	28	48	52	31
Miscellaneous manufactures	31	58	47	58	87
Special provisions	109	88	99	101	120
Total	12,422	12,052	12,941	15,128	15,996
U.S. merchandise trade balance:					
Agricultural products	205	94	250	34	-159
Forest products	110	95	135	90	103
Chemicals and related products	366	333	471	163	-95
Energy-related products	-8,931	-8,308	-8,898	-10,453	-10,790
Textiles and apparel	-175	-264	-255	-194	-266
Footwear	2	6	7	13	16
Minerals and metals	-1,783	-1,908	-1,922	-1,898	-2,019
Machinery	564	537	583	684	747
Transportation equipment	1,170	903	1,128	1,636	1,648
Electronic products	624	646	704	677	738
Miscellaneous manufactures	20	14	7	6	-11
Special provisions	102	139	148	159	162
Total	-7,725	-7,713	-7,642	-9,082	-9,926

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

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

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

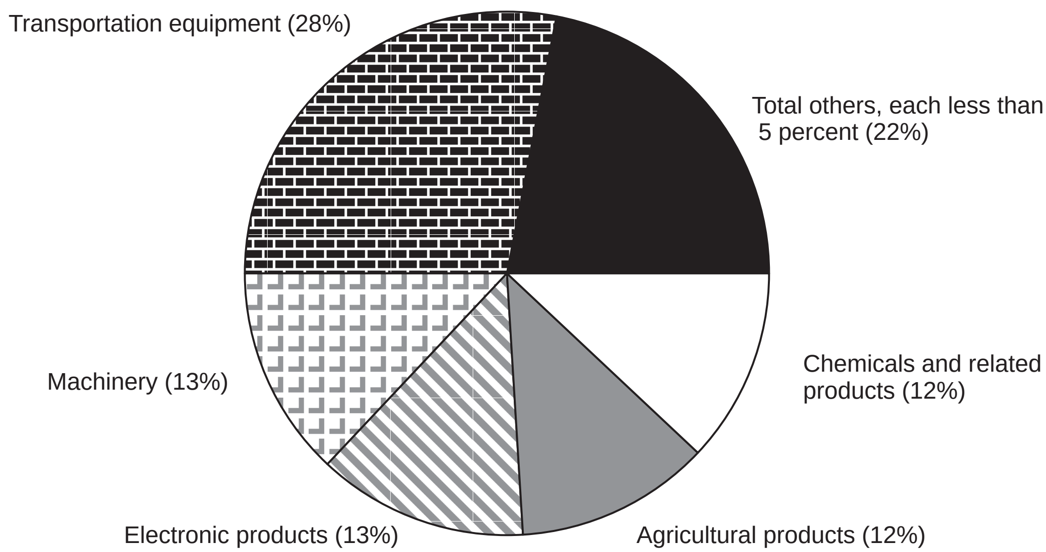
Table 2-2
Sub-Saharan Africa: U.S. exports, by major commodity items, 1993-97

(Million dollars)

Schedule B No.	Description	1993	1994	1995	1996	1997
8431.43	Parts for boring or sinking machinery, nesoi	258	221	262	490	419
1001.90	Wheat (other than durum wheat) and meslin	297	245	296	372	223
9880.00	Estimated "low value" shipments	147	152	196	213	216
8803.30	Parts of airplanes or helicopters, nesoi	96	114	127	112	156
8802.40	Airplane and a/c, unladen weight > 15,000 kg	292	35	18	172	131
6309.00	Worn clothing and other worn textile articles	67	56	81	92	109
8704.10	Dumpers designed for off-highway use	27	50	77	67	98
8802.30	Airplane & a/c unladen weight > 2000, not over 15,000 kg	51	56	52	81	91
8431.49	Parts and attachments for derricks, nesoi	42	52	66	107	89
8905.20	Floating or submersible drilling or production platforms	51	11	74	24	85
1006.30	Rice, semi- or wholly milled, polished or not	92	98	72	105	78
8473.30	Parts and accessories for adp machines and units	58	61	73	61	72
2710.00	Oil (not crude) from petroleum & bituminous mineral etc.	42	16	35	58	59
3100.00	Fertilizers, including other crude materials	35	26	45	56	59
2713.12	Petroleum coke, calcined	13	17	28	52	55
8708.99	Parts and accessories of motor vehicles nesoi	32	29	53	90	54
8471.49	Digital adp machines & units, entered as systems, nesoi	([1])	([1])	([1])	56	54
8701.90	Tractors, nesoi	29	38	35	39	51
8701.30	Track-laying tractors	14	23	47	36	48
2701.12	Bituminous coal, not agglomerated	28	29	37	65	48
1005.90	Corn (maize), other than seed corn	142	53	109	59	45
8431.39	Parts for lifting, handling, loading, unloading machines nesoi	27	26	30	37	44
8411.91	Parts of turbojets or turbopropellers	5	14	25	24	42
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	39	30	32	26	39
8471.80	Automatic data processing units, nesoi	([2])	([2])	([2])	42	37
	Subtotal	1,884	1,454	1,870	2,537	2,404
	All other	2,813	2,884	3,429	3,509	3,665
	Total	4,697	4,339	5,299	6,046	6,069

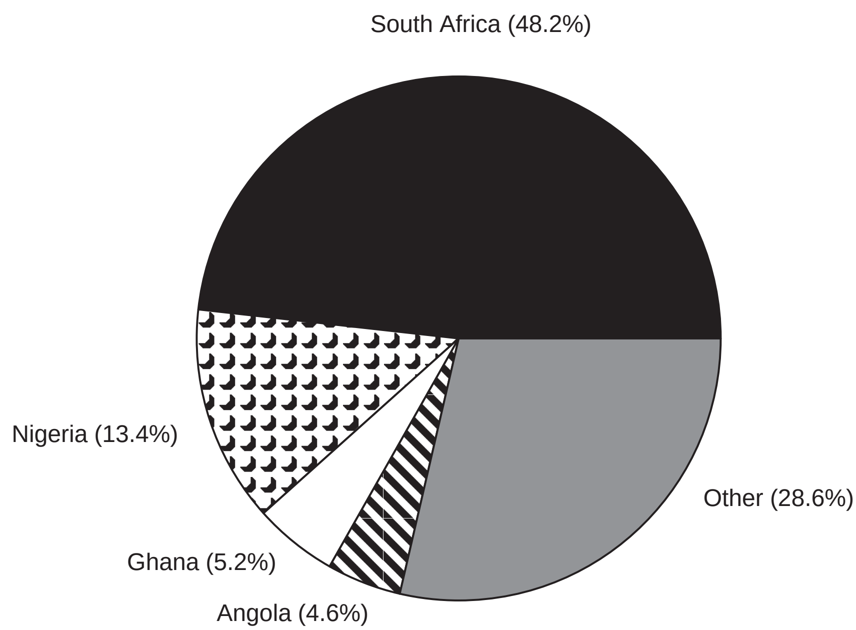
[1] Prior to January 1, 1996, exports under 8471.49 reported under parts of 8471.91/92/93/99.
[2] Prior to January 1, 1996, exports under 8471.80 reported under parts of 8471.99.
Note.—Because of rounding, figures may not add to total shown. The abbreviation, nesoi, stands for "not elsewhere specified or included".
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 2-3
U.S. exports to Sub-Saharan Africa of leading commodity sectors, by share, 1997



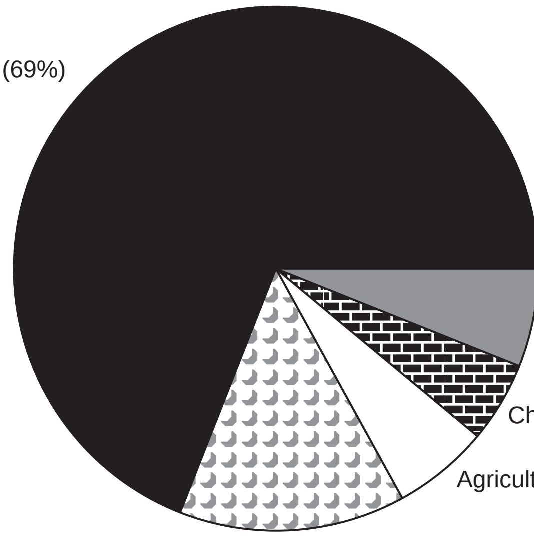
Source: Compiled from official statistics of the Department of Commerce.

Figure 2-4
Sub-Saharan Africa: U.S. exports to U.S. major trading partners, 1997



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

Figure 2-5
U.S. imports from Sub-Saharan Africa, by commodity sectors, 1997



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

their 1996 import share levels of 14 and 6 percent, respectively. Chemicals, however, rose to an import share of 5 percent in 1997.

Combined imports from Nigeria, Angola, South Africa, and Gabon accounted for 84 percent of the total value of U.S. imports from Sub-Saharan Africa in 1997 (figure 2-6). Nigeria remains the largest Sub-Saharan supplier of U.S. imports, supplying 37.5 percent of total U.S. imports from the region. Total U.S. imports from Nigeria increased by 2.1 percent during 1996-97 to $6.0 billion. Almost 93 percent of U.S. imports from Nigeria were energy-related petroleum products. The other three leading U.S. import suppliers each provided total shipments valued $2 billion or more during the year. Shipments from Angola increased by 8.6 percent during 1996-97 to $2.9 billion, or 18.3 percent of the total; more than 95 percent of U.S. imports from that country were made up of energy-related products. Shipments from South Africa rose by 7.5 percent to $2.5 billion, or 15.6 percent of the total; more than 68 percent of those imports were minerals and metals. Shipments from Gabon increased by 9.8 percent to $2.0 billion, or 12.6 percent of the total; more than 95 percent of those imports were energy-related products.The next grouping of important U.S. import suppliers, each with total shipments valued at $114 million to $460 million in 1997, were Congo (Brazzaville), Côte d'Ivoire, Congo (Kinshasa), Mauritius, Ghana, Zimbabwe, Guinea, and Kenya. Combined, these eight countries accounted for 11.1 percent of the total value of U.S. imports from Sub-Saharan Africa. Imports from Congo (Brazzaville) increased by 52.2 percent, aided by a strong increase in shipments from that country of agricultural, chemical, and energy-related products. Imports from Côte d'Ivoire decreased by 29.3 percent, resulting from significant declines in agricultural products as well as chemical, energy-related, and mineral and metals products. Imports from Congo (Kinshasa) increased only slightly, by 0.2 percent during 1996-97, as forest and agriculture products declined by 50 percent or more.[3] Imports from Mauritius, Zimbabwe, Guinea, and Kenya increased from 8 to 14 percent respectively; imports from Ghana declined by 10 percent.

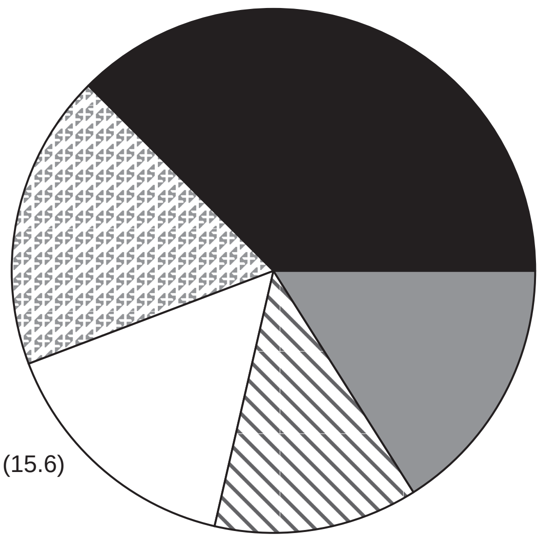
The major U.S. commodity imports from Sub-Saharan Africa are shown at the six-digit level of the HTS in table 2-3. As in prior years, crude petroleum was the largest U.S. import from Sub-Saharan Africa in 1997, accounting for $7.5 billion or 47 percent of U.S. imports from the region in that year. Other important U.S. imports during the year were oil (not crude), petroleum coke, platinum, petroleum gases, diamonds, propane, cocoa beans, and coffee.

Duty-free Imports

The U.S. Generalized System of Preferences (GSP) provides nonreciprocal duty-free treatment for

[3] Forest and agricultural products accounted for only 1-2 percent of total U.S. imports from Congo (Kinshasa).

Figure 2-6
Sub-Saharan Africa: U.S. imports from major trading partners, 1997



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

imports of eligible articles produced in developing countries in order to promote economic development through trade.[4] During 1997, 42 Sub-Saharan countries were designated beneficiaries under GSP. Countries not designated for GSP, for various reasons, were Eritrea, Gabon, Liberia, Mauritania, Nigeria, and Sudan. In addition, 29 of the Sub-Saharan African countries designated for U.S. GSP benefits were included among the countries designated as least-developed beneficiary developing countries (LDBDCs) during 1997; LDBDCs receive enhanced GSP preferences.[5]

Imports from Sub-Saharan Africa entering duty-free under U.S. GSP rose from $588.2 million in 1996 to $1.4 billion in 1997, or by 134 percent (table 2-4). Such imports rose to 8.6 percent by value of total U.S. imports from the region in 1997, more than double that of the 1996 share. Combined, the Sub-Saharan African countries accounted for 8.9 percent of all U.S. GSP imports in 1997.[6] In 1997, Angola became the largest Sub-Saharan African supplier under U.S. GSP, with shipments up from $2,000 in 1996 to $668.1 million, or 48.5 percent of the region's total.[7] South Africa was the second ranking Sub-Saharan African supplier under GSP in 1997, with shipments valued at $449.8 million or 32.7 percent of the total. Energy-related products made up the largest share of GSP imports from Angola, 6.8 percent, while minerals and metals made up the largest share for South Africa, 7.4 percent. Other countries in the region combined to make up a total of

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

[5] LDBDCs are discussed in greater detail in chapter 3. The Sub-Saharan African countries designated as LDBDCs are–Angola, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Congo (Kinshasa), Comoros, Djibouti, Equatorial Guinea, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Lesotho, Madagascar,

[5]—*Continued*
Malawi, Mali, Mozambique, Niger, Rwanda, São Tomè and Principe, Sierra Leone, Somalia, Tanzania, Togo, Uganda, and Zambia.

[6] Based on total GSP duty-free imports valued at $15.5 billion in 1997. USITC, *The Year in Trade 1997: Operation of the Trade Agreements Program*, USITC publication 3103, May 1998, p. 143, table 5-8.

[7] This dramatic increase is due to changes in the GSP program that allow products from Angola's energy sector to qualify for GSP preferences.

Table 2–3
Sub–Saharan Africa: U.S. imports, by major commodity items, 1993–97

(Million dollars)

HTS No.	Description	1993	1994	1995	1996	1997
2709.00	Crude oil from petroleum and bituminous minerals	8,617	7,987	8,614	8,461	7,516
2710.00	Oil (not crude) from petroleum & bituminous minerals etc.	400	397	325	1,313	1,815
2713.11	Petroleum coke, not calcined	0	0	33	356	616
7110.11	Platinum, unwrought or powder	389	498	597	554	584
2711.29	Petroleum gases, etc., in gaseous state nesoi	0	([1])	33	268	456
7102.31	Diamonds, nonindustrial, unworked	236	264	285	294	268
2711.12	Propane, liquefied	0	0	13	102	212
1801.00	Cocoa beans, whole or broken, raw or roasted	165	123	174	294	198
0901.11	Coffee, not roasted, not decaffeinated	54	94	94	64	158
2620.90	Ash and residues nesoi, containing metals	124	142	121	147	154
7102.39	Diamonds, nonindustrial, worked	50	70	58	81	133
2901.22	Propene (propylene)	0	0	0	39	117
9801.00	Imports of articles exported and returned, no change	99	80	91	93	111
2902.20	Benzene	0	0	10	61	110
2606.00	Aluminum ores and concentrates	96	88	88	91	109
6203.42	Men's or boys' trousers etc., not knitted, of cotton	63	76	74	81	109
2401.20	Tobacco, partly or wholly stemmed/stripped	142	64	36	67	105
7110.21	Palladium, unwrought or in powder form	74	97	108	99	103
2901.21	Ethylene (ethene)	0	0	0	13	90
1701.11	Cane sugar, raw, solid form, without added flavor or color	37	71	49	97	86
8105.10	Cobalt, unwrought	61	85	72	81	84
2711.14	Ethylene, propylene, butylene and butadiene liquefied	0	0	8	55	83
7202.41	Ferrochromium over 4 percent carbon	39	29	83	80	78
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	74	114	122	84	76
6110.20	Sweaters, pullovers, sweatshirts of cotton, knitted or crocheted	39	41	39	54	63
	Subtotal	10,757	10,321	11,127	12,930	13,434
	All other	1,665	1,731	1,814	2,199	2,562
	Total	12,422	12,052	12,941	15,128	15,996

[1] Less than $500,000.

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

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

Table 2-4
Sub–Saharan Africa: Major U.S. import suppliers under the Generalized System of Preferences, 1993–97

Rank	Country	1993	1994	1995	1996	1997	1997 share of total
		Million dollars, customs value					*Percent*
1	Angola	1.2	(1)	(1)	(1)	668.1	48.5
2	South Africa	0.0	181.2	357.0	429.4	449.8	32.7
3	Zimbabwe	35.3	40.2	51.6	72.5	79.8	5.8
4	Malawai	4.7	4.0	0.3	7.7	29.3	2.1
5	Swaziland	8.7	19.4	10.9	13.8	25.3	1.8
6	Mauritius	18.2	15.7	10.5	18.2	21.6	1.6
7	Mozambique	0.1	17.2	20.1	12.4	16.1	1.2
8	Congo (DROC)	31.1	2.4	2.0	0.6	15.9	1.2
9	Equatorial Guinea	0.0	(1)	0.0	0.0	13.0	0.9
10	Côte d'Ivoire	13.5	10.7	7.9	9.0	9.4	0.7
	Total countries shown	112.7	290.8	460.3	563.8	1,328.3	96.4
	All other countries	25.8	37.8	28.4	24.5	49.4	3.6
	Total	138.5	328.6	488.8	588.2	1,377.6	100.0

[1] Less than $50,000.

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

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

18.8 percent of imports entered under GSP. Data in table 2-5 show that energy-related products and minerals and metals are the largest sectors for GSP imports, accounting for 50.7 and 16.9 percent, respectively, of such imports from Sub-Saharan Africa in 1997. Energy-related products are no longer the smallest sector for GSP imports because petroleum and petroleum-based products are now designated for U.S. GSP eligibility. Footwear, textiles, and apparel products ranked as small sectors for GSP imports because most of these products are not designated as eligible for U.S. GSP entry.

In certain sectors, imports under GSP account for significant percentages of U.S. imports from Sub-Saharan Africa. For example, in 1997, imports of machinery under GSP accounted for 78.9 percent of total sector imports, while imports of miscellaneous manufactures and transportation equipment accounted for 58.8 and 50.0 percent, respectively, of total sector imports from Sub-Saharan Africa.[8]

Average Tariffs and Dutiable Values

Average trade-weighted tariff rates on U.S. imports from Sub-Saharan Africa in 1996 and 1997 are shown in figure 2-7. The overall average trade-weighted tariff rate for all U.S. merchandise imports from Sub-Saharan Africa was 1.8 percent ad valorem equivalent (AVE) in 1997, up from 1.5 percent in 1996. The highest average tariffs on U.S. dutiable imports in 1997 were on textiles and apparel (17.7 percent AVE), footwear (10.6 percent AVE), and agricultural products (7.8 percent AVE). The lowest average trade-weighted tariffs in 1997 were on energy-related products (0.5 percent AVE), machinery (2.2 percent AVE), transportation equipment (2.3 percent AVE), electronic products (2.5 percent AVE), chemicals and related products (3.6 percent AVE), and minerals and metals (5 percent AVE).

In 1997, 48.1 percent of U.S. imports (by value) from Sub-Saharan Africa were subject to import

[8] The EU also offers nonreciprocal preferential market access to products of Sub-Saharan Africa and many Sub-Saharan African countries maintain strong economic, trade, and cultural ties with former European colonial powers. For more information see, USITC, "U.S. Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy," third annual report, pub. No. 3067, Oct. 1977, p. 1-5. Moreover, the EU's preferential trade program for developing countries, the Lomé Convention, provides even greater preferential access for products of certain African (including all of the Sub-Saharan African

8—*Continued*
countries except South Africa), Caribbean, and Pacific countries. One important difference between the U.S. GSP program and the Lomé Convention is that U.S. GSP excludes most textiles and apparel articles, while such articles are permitted duty- and quota-free entry under Lomé provisions when rules of origin requirements are met. Excluded are articles subject to textile agreements, namely the Multifiber Arrangement and its successor, the WTO Agreement on Textiles and Clothing. See chapter 4 for additional information on U.S.-Sub-Saharan trade in textiles and apparel.

Table 2-5
Sub-Saharan Africa: U.S. imports under the Generalized System of Preferences, value and shares of imports, by sectors, 1993-97

GSP imports	1993	1994	1995	1996	1997
	Value (1,000 dollars)				
Agricultural products	50,674	107,522	81,518	123,080	151,650
Forest products	4,045	11,410	13,418	12,846	16,580
Chemicals and related products	1,350	30,141	60,462	83,115	116,196
Energy related products	N/A	N/A	1	N/A	699,093
Textiles and apparel	578	2,055	3,154	1,930	2,500
Footwear	N/A	115	58	([1])	N/A
Minerals and metals	59,133	116,567	221,700	228,747	233,461
Machinery	165	21,458	38,973	58,187	53,793
Transportation equipment	1,163	11,920	28,896	36,792	40,011
Electronic products	5,266	7,564	11,925	11,292	13,014
Miscellaneous manufactures	6,142	19,874	28,652	32,251	51,349
Total	138,517	328,626	488,758	588,238	1,377,648
	Percent of total sectoral imports from Sub-Saharan Africa				
Agricultural products	7.56	15.70	11.87	14.34	16.57
Forest products	6.16	15.28	13.31	11.29	16.31
Chemicals and related products	1.05	19.67	25.70	15.80	13.89
Energy related products	N/A	N/A	([1])	N/A	6.35
Textiles and apparel	0.18	0.51	0.74	0.49	0.53
Footwear	N/A	2.94	4.19	0.03	N/A
Minerals and metals	3.05	5.67	10.35	10.50	10.29
Machinery	0.41	48.66	73.25	73.43	78.89
Transportation equipment	3.96	34.94	53.53	51.85	50.04
Electronic products	26.48	26.69	24.76	21.54	41.57
Miscellaneous manufactures	51.34	34.34	60.54	55.26	58.83
Total	1.12	2.73	3.78	3.89	8.61

[1] Less than 0.005 percent.

N/A = Not available.

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

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

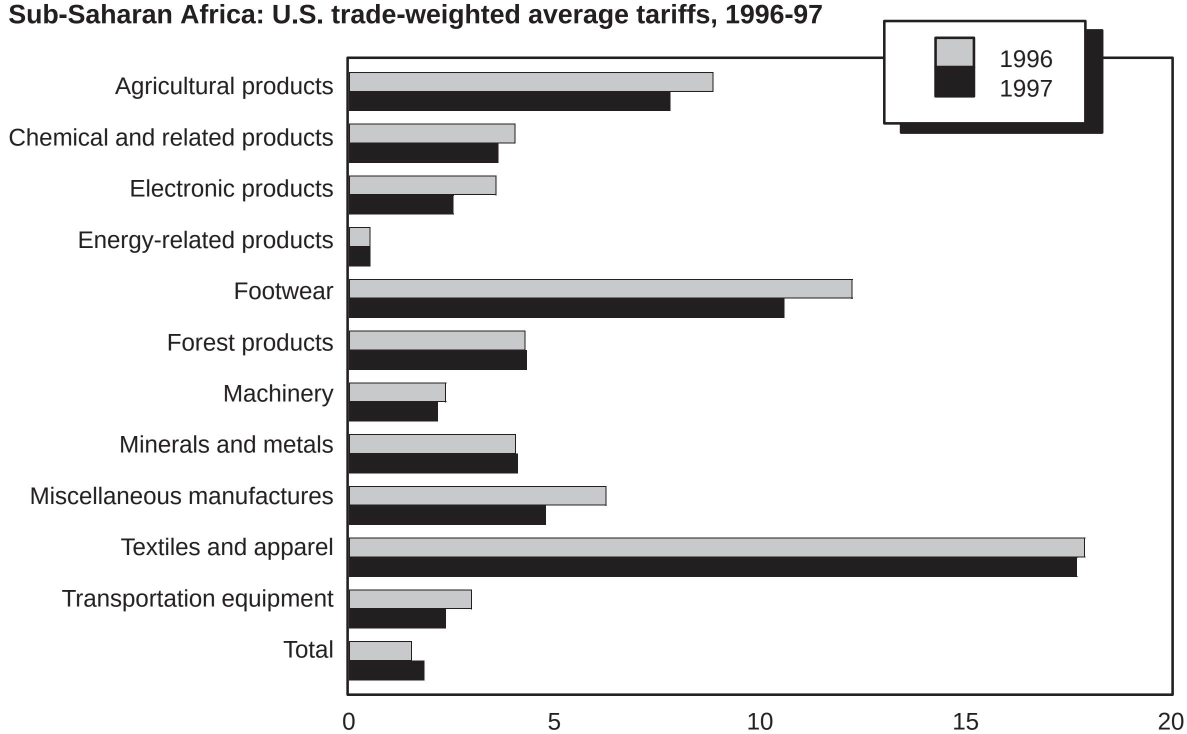
duties, down from 58.4 percent in 1996 (figure 2-8). Imports of energy-related products accounted for 88 percent of these dutiable imports, a 2.5 percent drop from 1996.[9] Most of the imports in textiles, apparel, footwear, as well as energy-related products, are dutiable, whereas the shares of dutiable imports in other sectors ranged from 1 percent (forest products) to 38.2 percent (transportation equipment).

[9] For 1997, certain energy-related products qualified as duty-free under "Presidential Proclamation 7007—To Modify Duty-Free Treatment Under the Generalized System of Preferences," 62 F.R. 106, Tuesday, June 3, 1997, pages 30415-30424.

U.S. Merchandise Trade Balance

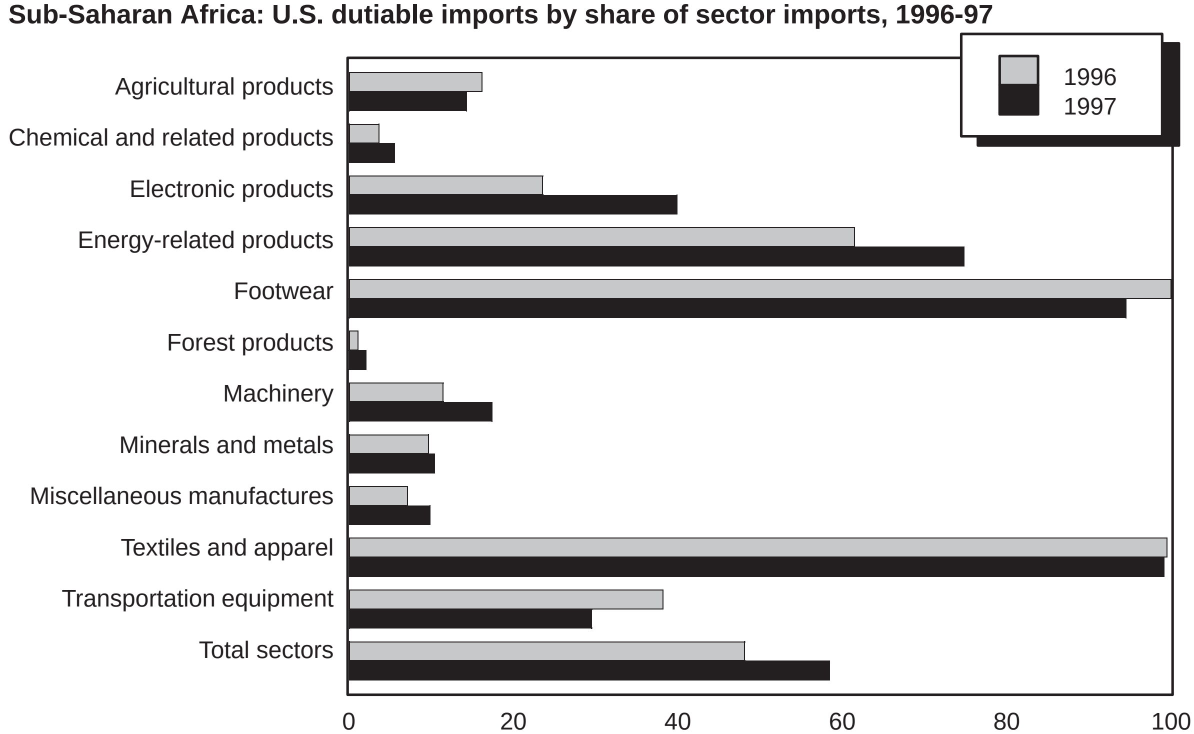
The U.S. merchandise trade balance with Sub-Saharan Africa was consistently negative during 1993-97 (table 2-1). The U.S. trade deficit with the region modestly increased by $844 million during 1996-97, to reach a total of $9.9 billion. The deficit in energy-related products, which increased by $337 million during 1996-97, largely accounts for the increase. Also contributing to the increased deficit in 1997 were sectors (agriculture and chemicals) which posted surpluses in 1993-96, but showed deficits in 1997. As in prior years, the United States continued to post a trade deficit in the textiles and apparel, and

Figure 2-7
Sub-Saharan Africa: U.S. trade-weighted average tariffs, 1996-97



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

Figure 2-8
Sub-Saharan Africa: U.S. dutiable imports by share of sector imports, 1996-97



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

the minerals and metals sectors; the trade deficits in these two sectors increased during 1996-97.

Antidumping and Countervailing Duty Actions

A suspension agreement with South Africa on cut-to-length carbon steel plate imports was negotiated in October 1997, and resulted in quarterly monitoring of South African cut-to-length carbon steel plate imports.[10] An affirmative determination of material injury to U.S. manufacturers of certain stainless steel plates imported from South Africa was issued in May 1998.[11] The U.S. International Trade Commission (USITC) forwarded its preliminary determinations to the U.S. Department of Commerce (USDOC) on May 15, 1998.[12]

U.S.-Africa Services Trade

Services are provided to foreign consumers through "cross-border transactions" and "affiliate transactions."[13] Cross-border services trade data through 1996 are available only for the African continent, treated as a whole, and South Africa. Country-specific detail regarding sales by African affiliates of U.S. firms is limited to South Africa and Nigeria, and the data extend only through 1995. Country-specific information pertaining to sales by U.S.-based affiliates of African firms is available only for South Africa. In 1995, cross-border transactions accounted for 51.6 percent of total U.S. service exports and for 45.8 percent of total service imports.[14]

[10] USITC, "*Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine*," investigation Nos. 731-TA-753-756 (Final), 62 F.R. 66128, Dec. 17, 1997.

[11] USITC, "*Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan*," investigation NO. 701-TA-376-379 (preliminary) and 731-TA-788-793 (preliminary), issued May 21, 1998.

[12] Antidumping orders are issued by USDOC. An order may be issued only if USDOC has found that a product is being sold in the United States at less than fair value (dumped), and the USITC has found that a domestic industry is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of that merchandise. USDOC conducts preliminary and final antidumping investigations. The USITC conducts a single investigation, which has a preliminary phase and a final phase.

[13] When a service, payment for a service, or the providers or purchasers of a service cross national borders, the sale is a cross-border transaction. When a service provider establishes a commercial presence in a foreign market, sales are affliate transactions.

[14] U.S. Department of Commerce (USDOC), Bureau of Economic Analysis (BEA), *Survey of Current Business*, "U.S. International Sales and Purchases of Private Services," Oct. 1997, p. 96.

Cross-Border Transactions

Africa is a net importer of services from the United States, with the United States recording a cross-border services trade surplus with the continent of $1.0 billion in 1996 (figure 2-9). U.S. cross-border exports of services to Africa amounted to $3.2 billion in 1996, accounting for 1.4 percent of total U.S. service exports (table 2-6).[15] U.S. cross-border service exports to Africa grew by 7.7 percent in 1996, continuing the average annual rate of increase established in 1992-95. Export growth in 1996 was mainly attributable to higher expenditures by inbound tourists and business travelers, and increased sales of rights to patented industrial processes and equipment-related maintenance and repair services. At $2.2 billion, U.S. cross-border service imports from Africa represented about 1.5 percent of all U.S. service imports (table 2-7).[16] Following average annual growth of 9.1 percent during 1992-95, cross-border service imports from Africa increased by 9.5 percent in 1996, mainly due to sharply higher imports of telecommunication services. The 1996 cross-border trade surplus with Africa increased by 3.9 percent.[17]

Tourism and travel services lead U.S. exports to Africa, accounting for 25.6 percent of total U.S. cross-border service exports to the continent in 1996. Tourism exports are followed by those of professional services, with 22.3 percent; transportation, with 14.1 percent; and education services, with 11.1 percent. Tourism and travel services are also the largest service imports from Africa, accounting for 50.0 percent of total U.S. cross-border imports. Other predominant service imports include telecommunication and passenger transportation services, representing 15.3 percent and 12.8 percent, respectively, of total U.S. cross-border imports from Africa.[18]

The largest U.S. trading partner among African countries is South Africa, accounting for 30.4 percent of service exports (table 2-6) and 21.8 percent of service imports in 1996 (table 2-7). Tourism, royalties and license fees, and transportation services represented 66.1 percent of U.S. cross-border exports to South Africa. Collectively, tourism, passenger fares, and telecommunication services accounted for 82.0 percent of U.S. imports from South Africa.[19]

Affiliate Transactions

The United States also runs a surplus with Africa in affiliate transactions. In 1995, majority-owned

[15] Ibid.

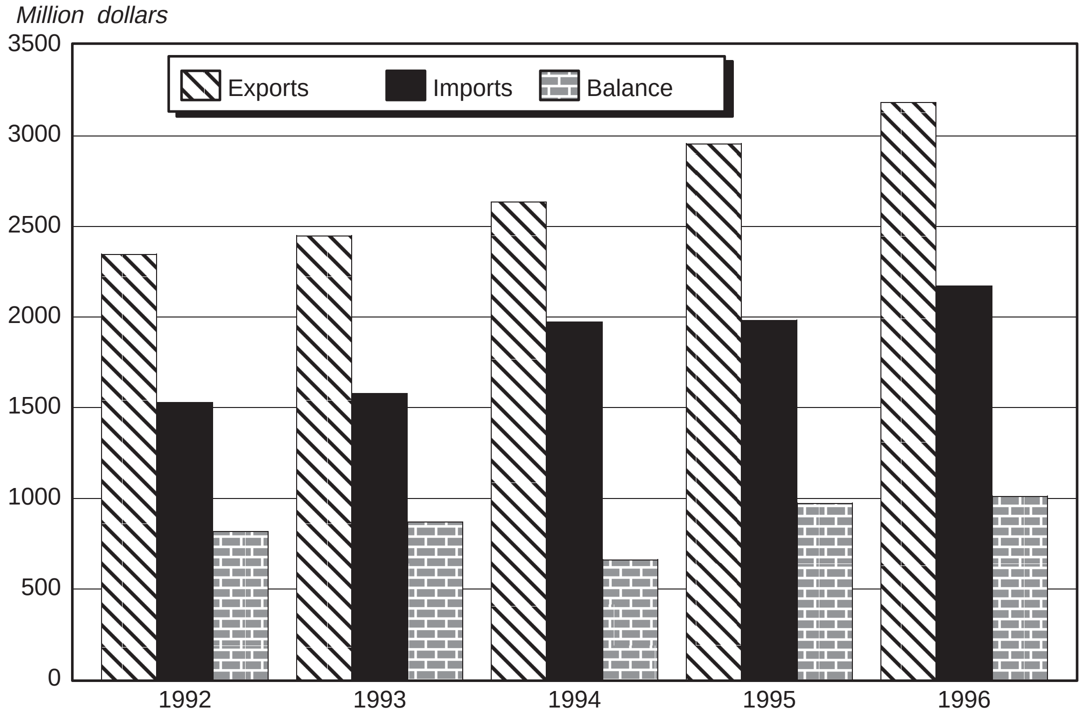
[16] Ibid.

[17] Ibid, pp. 110-135.

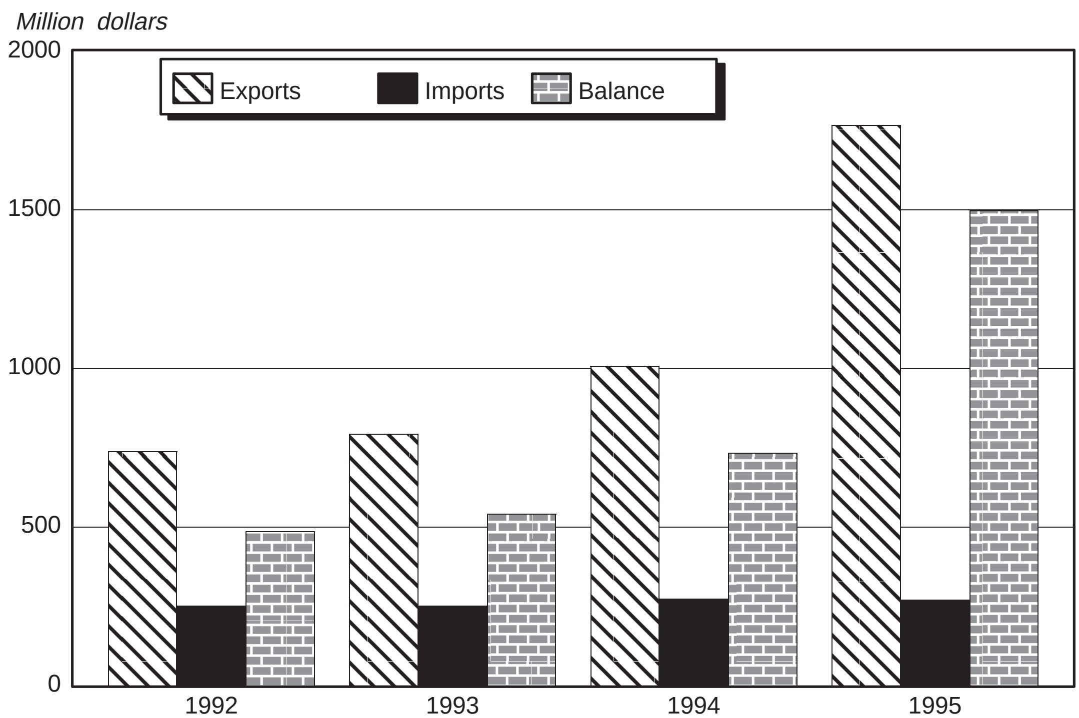
[18] Ibid.

[19] Ibid.

Figure 2-9
U.S. cross-border trade in services with Africa: Exports, imports, and trade balance, 1992-96



Affiliate transactions in services, 1992-95



Source: U.S. Department of Commerce (USDOC), Bureau of Economic Analysis (BEA), *Survey of Current Business*, "U.S. International Sales and Purchases of Private Services," Oct. 1997, pp. 110-135; USDOC, BEA, *U.S. Direct Investment Abroad, Preliminary 1995 Estimate*, table III F-17; and USDOC, BEA, *Foreign Direct Investment in the United States: Preliminary 1995 Estimates*, table E-13.

Table 2-6
Total Africa and South Africa: U.S. cross-border service exports, 1992-96

(Million dollars)

	Total Africa					*South Africa*				
Service	**1992**	**1993**	**1994**	**1995**	**1996**	**1992**	**1993**	**1994**	**1995**	**1996**
Tourism	423	485	607	699	815	151	203	288	344	403
Passenger fares	2	6	55	33	79	([1])	1	14	1	12
Transportation	506	456	534	568	450	97	32	34	84	84
Royalties and license fees	91	114	111	166	196	64	82	80	130	152
Education	320	312	325	341	355	1	30	31	34	35
Insurance[1]	6	5	-1	6	7	2	2	2	3	1
Telecommunications	81	81	95	111	135	16	18	17	28	53
Financial services	39	57	54	66	96	15	15	14	20	23
Professional	549	560	568	646	711	74	77	88	90	127
Advertising	3	2	1	1	([2])	1	1	1	1	([2])
Computer	46	47	51	47	67	16	12	27	32	41
Database	4	4	21	35	42	4	2	14	25	31
R&D	18	37	32	29	18	([1])	1	([2])	3	2
Mgmt./Consulting/PR	79	95	110	140	137	3	5	5	9	9
Legal services	4	6	6	7	17	2	2	3	3	8
Construction-related services	210	182	150	216	185	28	36	15	3	4
Industrial engineering	8	9	5	14	16	([1])	([2])	([2])	([2])	([3])
Equipment-related services	66	62	91	61	136	14	11	16	9	6
Other professional services	110	116	102	96	92	6	6	7	5	([3])
Film rentals	27	17	26	34	36	24	15	25	31	32
Other[4]	341	373	([3])	322	340	([5])	44	55	66	([3])
Total[5]	2,348	2,449	2,636	2,957	3,184	474	505	624	800	967

[1] Insurance exports are the difference between premiums received from foreign policy-holders and claims collected by foreign policy-holders. Exports are entered as debit on the balance of payments when the claims collected by foreign policy-holders exceed their premiums.
[2] Less than $500,000.
[3] Data have been suppressed to avoid disclosure of individual company operations.
[4] Includes intra-corporate transactions; i.e., U.S. parent firms' receipts from foreign-based affiliates, and U.S.-based affiliates' receipts from foreign parent firms.
[5] Due to rounding and suppression of individual company data, figures may not add to totals shown.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. International Sales and Purchase of Private Services," *Survey of Current Business*, Nov. 1996, pp. 90-109 and Oct. 1997, pp.110-135.

Table 2-7
Total Africa and South Africa: U.S. cross-border service imports, 1992-96

(Million dollars)

Service	*Total Africa* 1992	1993	1994	1995	1996	*South Africa* 1992	1993	1994	1995	1996
Tourism	759	829	1029	1063	1086	103	127	141	198	233
Passenger fares	177	169	204	277	278	28	45	77	119	109
Transportation	472	259	321	197	204	27	10	16	22	17
Royalties and license fees	3	(1)	1	2	3	1	(1)	0	(1)	1
Education	12	13	16	21	23	1	1	2	1	1
Insurance[2]	(1)	-2	1	5	5	-2	-1	(1)	-1	(1)
Telecommunications	181	189	210	234	332	(3)	(3)	(3)	33	46
Financial services	2	3	6	10	17	2	2	3	5	5
Professional	88	89	123	139	140	11	10	15	16	17
Advertising	(1)	2	2	3	5	(1)	1	1	1	1
Computer	(1)	(1)	2	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Database	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
R&D	11	9	13	22	25	1	1	2	3	3
Mgmt./Consulting/PR	15	13	22	27	26	2	(1)	1	1	(1)
Legal services	2	2	3	4	6	1	1	1	2	3
Construction-related services	8	15	26	25	31	(1)	(1)	(1)	(1)	(1)
Industrial engineering	0	0	(1)	(1)	0	0	0	0	0	0
Equipment-related services	2	1	1	4	2	0	(1)	(1)	2	2
Other professional services	48	47	53	53	45	7	5	9	8	7
Film rentals	(1)	0	(1)	0	(1)	0	0	(1)	0	(1)
Other[4]	29	29	(3)	35	(3)	(5)	(1)	(3)	10	43
Total[5]	1,529	1,579	1,974	1,983	2,172	199	232	295	404	473

[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 operations.
[4] Includes intra-corporate transactions; i.e., U.S. parent firms' payments to foreign-based affiliates, and U.S.-based affiliates' payments to foreign parent firms.
[5] Due to rounding and suppression of individual company data, figures may not add to totals shown.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. International Sales and Purchase of Private Services," *Survey of Current Business*, Nov. 1996, pp. 90-109 and Oct. 1997, pp. 110-135.

African affiliates of U.S. firms recorded sales totaling $1.8 billion[20] (table 2-8), while U.S. consumers purchased services valued at $270 million[21] from majority-owned U.S. affiliates of African companies. This resulted in an affiliate transactions surplus of $1.5 billion (figure 2-9). In 1995, sales by U.S.-owned affiliates in Africa grew by 75.4 percent, while U.S. purchases from affiliates of African parents declined by 3.9 percent. Consequently, the U.S. surplus in affiliate transactions grew by 106.1 percent in 1995, compared to an average annual growth rate of 27.5 percent during 1992-94. The increase in U.S. affiliate sales is partly attributable to increased U.S. affiliate presence in South Africa after economic sanctions were lifted in 1994.

Limited information regarding affiliate transactions is reported for South Africa and Nigeria[22] (table 2-8). According to available data, the United States ran a surplus with South Africa valued at $238 million in 1995. At $185 million, U.S. purchases from affiliates of South African firms alone accounted for 68.5 percent of all purchases from affiliates originating in Africa in 1995. In contrast,

[20] USDOC, BEA, *U.S. Direct Investment Abroad: Preliminary 1995 Estimates*, table III-F-17.
[21] USDOC, BEA, *Foreign Direct Investment in the United States*: *Preliminary 1995 Estimates*, table E-13.

[22] Information pertaining to sales by U.S. affiliates of Nigerian firms is not available.

Table 2-8
Service transactions through U.S.-owned affiliates (sales) and African-owned affiliates (purchases), 1992-95

(Million dollars)

Item	Total Africa				South Africa				Nigeria			
	1992	1993	1994	1995	1992	1993	1994	1995	1992	1993	1994	1995
U.S. Sales	738	793	1,008	1,768	35	35	86	423	149	230	128	142
U.S. Purchases	252	252	274	270	128	173	186	185	([1])	([1])	([1])	([1])
Balance	486	541	734	1,498	-93	-138	-100	238	([1])	([1])	([1])	([1])

[1] Not available.

Source: U.S. Department of Commerce (USDOC), Bureau of Economic Analysis (BEA), *U.S. Direct Investment Abroad: Preliminary 1995 Estimates* (Oct. 1997)*; 1994 Benchmark Survey, Preliminary Results* (Jan. 1997)*; Preliminary 1993 Estimates* (June 1995); *Revised 1992 Estimates* (June 1995); table III-F-17 and USDOC; BEA, *Foreign Direct Investment in the United States: Preliminary 1995 Estimates* (June 1997); *Preliminary 1994 Estimates* (June 1996)*; Revised 1993 Estimates* (June 1995)*; 1992 Benchmark Survey, Preliminary Results* (Aug. 1994); table E-13.

sales of $423 million by South African affiliates of U.S. firms accounted for only 23.9 percent of total U.S. affiliate sales to Africa. U.S.-owned affiliates in South Africa are mostly in wholesale trade and in financial services.[23] U.S. firms in Nigeria accounted for 8.0 percent of total affiliate sales to Africa in 1995. U.S.-owned affiliates in Nigeria likely participate in the petroleum industry and in banking.[24]

Trade and Economic Integration

Subregional trade and economic integration has been difficult in Sub-Saharan Africa. Ambitious goals have been hampered by political and economic instability, as well as conflicting interests among the leading regional institutions. Table 2-9 presents developments during 1997-98 in the following subregional organizations: the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (WAEMU), the Tripartite Commission for East African Co-operation (EAC), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), and the South African Customs Union (SACU).[25] Most Sub-Saharan African countries are members of at least one of these subregional organizations.

The pace of subregional economic integration has been slow. It is unlikely that target dates for the proposed free trade area agreements and economic and monetary unions will be met. Regional leaders have begun to refer to later implementation dates at summits and other official meetings and there has been delay by member governments in ratifying treaty protocols. A shortage of operating funds, due to some members' inability to pay, or scarce resources, is another central difficulty shared by the subregional groups. There are other difficulties as well. ECOWAS countries have not reached agreement on which currency to adopt for their eventual single currency zone (there is opposition to both the Nigerian naira and the CFA franc). There is some concern among WAEMU members about their CFA franc being pegged to the French franc after the EU's adoption of the euro in the future. COMESA has been plagued with setbacks, as some of its members have devoted their resources to other, more promising, regional groups such as SADC.

SADC has had its own difficulties, as members have been slow to ratify the trade protocols. But SADC has shown signs of progress, particularly in South Africa's apparent willingness to open its market to the rest of the subregion. SACU members have begun negotiations to restructure their tariff regime; that has proven to be a complex issue. The smaller SACU members are also concerned about possible investment diversion to South Africa in light of the ongoing South Africa-EU free trade agreement negotiations.

The EAC is a promising, recently restructured subregional organization. Its three members (Kenya, Tanzania, and Uganda) reformed this group in 1996 (after a 20-year disbandment) and are set to sign a formal treaty in November 1998. In terms of

[23] U.S. Department of State (USDOS), *South Africa, 1997 Country Reports on Economic Policy and Trade Practices*, Jan. 1997, found at Internet address http://www.state.gov, retrieved May 22, 1998.

[24] USDOS, *Nigeria, 1997 Country Reports on Economic Policy and Trade Practices*, Jan. 1997, found at Internet address http://www.state.gov, retrieved May 22, 1998.

[25] For background information on regional integration among the 48 countries, see last year's report, USITC, *U.S.-African Trade Flows and Effects*, publication 3067, pp. 2-18 to 2-19.

Table 2-9
Regional economic integration in Sub-Saharan Africa, 1997-98

Economic Community of West African States (ECOWAS)

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

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

Population:
208.9 million (1996), 55 percent of which is in Nigeria.

GDP:
$74.4 billion (1996), 42 percent of which is from Nigeria.

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

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

Obstacles:
The overall pace of economic integration has been slow and has become increasingly dominated by security issues. Far behind schedule in trade liberalization, abolishing customs duties, and the goal of a single monetary zone by 2000. Not all 1996 economic agreements were ratified by all member states. Original aim of removing tariffs on member states' unfinished goods by 1990 and phasing out tariffs on industrial goods between 1996 and 2000 has not been accomplished. Macroeconomic deficiencies and exchange rate instability impede progress of single currency zone; opposition to ideas of adopting either the Nigerian naira or the CFA franc as common currency. Ongoing concern about the adverse economic impact of declining tariff revenues as tariffs on intra-regional trade are reduced. Members' rival trading interests and participation in other regional organizations such as WAEMU (see below) have delayed progress. Economic constraints make it difficult for some members to meet their financial commitments to ECOWAS institutions; reports that nonpayment of contributions is impeding some ECOWAS programs. Political and economic instability of Nigeria, the region's largest economy, make other members reluctant to integrate further with Nigeria at this time.

1997-98 developments:
In 1997, heads of state reaffirmed full commitment to regional monetary integration and the eventual adoption of the single west African currency by 2000. Cape Verdean Parliament ratified ECOWAS legal instrument protocol to reinforce regional integration and financing. February 1998 economic summit worked out differences to allow introduction of ECOWAS travelers check. West African Monetary Authority (WAMA) will issue checks to complement their payments settlement scheme. In Nigeria, new President Abubakar has promised free Presidential elections in May 1999.

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

Table 2-9—Continued
U.S. trade with ECOWAS countries

(Million dollars)

Item	1993	1994	1995	1996	1997
U.S. exports	1,476	991	1,285	1,650	1,653
U.S. imports	5,909	5,168	5,481	6,662	6,628
U.S. trade balance	-4,433	-4,177	-4,196	-5,012	-4,975

Sources: World Bank, *World Bank Development Report 1998*, tables 1.1 and 4.2; CIA, *World Factbook*, http:www.odci.gov/cia/publications/factbook/index.html; official statistics of the U.S. Department of Commerce compiled by USITC staff; Stat-USA, *Country Commercial Guides*, http://www.stat-usa.gov.; EIU, *Country Profile: Mali 1998-99*, p.68.; U.S. Department of State telegram “ECOWAS Summit in Abjuda Concludes,” message reference No. 0509, U.S. Embassy Abjuda, September 1997; U.S. Department of State telegram “GSP Culmination Deliverable,” message reference No. 049899, U.S. Embassy Conakry, March 1998; U.S. Department of State telegram “ECOWAS in Pursuit of a Single Monetary Zone,” message reference No. 0097, U.S. Embassy Abjuda, February 1998; Africanews Online, “ECOWAS Traveller’s Cheque for Launch in Dakar,” http://www.africanews.org, November 25, 1997.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1997-98

West African Economic and Monetary Union (WAEMU or UEMOA)

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

Origins:
Established in 1994 for former French colonies in West Africa.

Population:
64 million (1996), 22 percent of which is in Côte d'Ivoire.

GDP:
$26.9 billion (1996), 39.4 percent of which is from Côte d'Ivoire.

Goals:
Full integration of customs union with free movement of goods, labor, and capital (began 1997); common accounting system, investment code, and business legislation by the end of 1997; common external tariff by January 1998. Also seeks to harmonize members' macroeconomic performances and policies through intra-community trade liberalization.

Status:
Common currency, the CFA franc, is pegged to French franc and keeps countries' financial systems closely linked to that of France; other CFA franc zone countries (but not WAEMU members) are– Cameroon, Central African Republic, Chad, Congo (Brazzaville), Equatorial Guinea, and Gabon. Members have concerns about future of CFA once French franc is integrated into the EU single currency. Members see conversion peg to EU single currency likely. Established regional court of justice and regional audit office. Established the permanent preferential tariff (PPT): a 30 percent reduction on import duties for specified industrial products, tax free movement of handicrafts and raw materials, and a 5 percent reduction on import duties for other products.

1997-98 developments:
Members have assigned responsibility for conducting monetary policy to a common central bank, Banque Centrale Des Etats de L'Afrique de L'ouest (BCEAO).

U.S. trade with WAEMU countries

(Million dollars)

Item	1993	1994	1995	1996	1997
U.S. exports	258	230	347	305	349
U.S. imports	213	220	267	442	318
U.S. trade balance	46	10	80	-136	31

Sources: World Bank, *World Bank Development Report 1998*, tables 1.1 and 4.2; CIA, *World Factbook*, http:www.odci.gov/cia/publications/factbook/index.html; official statistics of the Department of Commerce compiled by USITC staff; Stat-USA, *Country Commercial Guides*, http://www.stat-usa.gov.; Business Facilitation Page, U.S. Embassy, Dakar, Senegal, http://www.dakarcom.com/waemu.htm, U.S. Department of State telegram "West African Central Bank," message reference No. 3000, U.S. Embassy Dakar, April 1998.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1997-98

Common Market for Eastern and Southern Africa (COMESA)

Members:
Angola, Burundi, Comoros, DROC, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. Egypt's membership, the first North African country to join COMESA, is pending.

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

Population:
315 million (1996).

GDP:
$74 billion (1996).

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

Status:
PTA reduced tariffs on products produced and traded within the region. A regional clearing house settles financial transactions among members. Customs procedures have been simplified and harmonized, and an automated system for customs management implemented to facilitate customs clearance. Members were to have reduced tariffs on intra-regional trade by 80 percent by October 1996; only Comoros, Eritrea, Kenya, Sudan, Tanzania, Uganda, and Zimbabwe have reached this target. Malawi and Mauritius will cut tariffs by 70 percent, and Burundi, Rwanda, and Zambia by 60 percent.

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

1997-98 developments:
Mozambique suspended its membership in 1997 in order to devote its scarce resources to SADC. In June 1998, Egypt was accepted for membership by 7 of the members; approval by other means is pending. Lesotho and Namibia suspended active participation in COMESA in January 1997. Plans were drafted in January 1997 to re-invigorate COMESA; a proposal was made to formally divide certain regional economic and trade responsibilities between COMESA and SADC. In June 1997, to reduce its budget deficit, Tanzania halted the application of preferential COMESA tariffs for goods of Kenyan origin; this measure was widely viewed as setback to COMESA integration process. In July, the President of the African Development Bank stated that COMESA did not include sufficient private sector participation; recommended that COMESA refocus its efforts to address this issue. EU announced in July 1997 its intention to provide $2.3 million to help improve industrial standardization and harmonization among the COMESA partners.

Table 2-9—Continued
U.S. trade with COMESA countries

(Million dollars)

Item	1993	1994	1995	1996	1997
U.S. exports	828	979	1,039	1,064	1,047
U.S. imports	3,116	3,136	3,351	3,799	4,243
U.S. trade balance	-2,288	-2,157	-2,313	-2,735	-3,196

Sources: World Bank, *World Bank Development Report 1998*, tables 1.1 and 4.2; CIA, *World Factbook*, http:www.odci.gov/cia/publications/factbook/index.html; official statistics of the U.S. Department of Commerce compiled by USITC staff; Stat-USA, *Country Commercial Guides*, http://www.stat-usa.gov.; Business Facilitation Page, U.S. Embassy, Dakar, Senegal, http://www.dakarcom.com/waemu.htm, U.S. Department of State telegram "West African Central Bank," message reference No. 3000, U.S. Embassy Dakar, April 1998; EIU, *Business Africa*, July 16-31, 1998. p.4.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1997-98

Southern African Development Community (SADC)

Members:
Angola, Botswana, DROC, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Seychelles, Tanzania, Zambia, and Zimbabwe. Invitations to Kenya and Uganda to join were extended in August 1997.

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

Population:
146 million (1996).

GDP:
$183.6 billion (1996).

Goals:
Original goal of SADCC was to reduce economic dependence on South Africa through the promotion of collective self-reliance, mutual interdependence and equitable economic integration; primary focus on joint infrastructure building rather than trade. SADC was established with a provision for the eventual inclusion of a post-apartheid South Africa. Other SADC goals are to promote mutually beneficial economic cooperation and integration, and to promote cross-border investment and trade as well as freer movement within the region of factors of production, goods, and services. Free trade area by 2004.

Status:
Ratification of trade protocol high on agenda of January 1998 summit. Mauritius, Tanzania, and Botswana have ratified the trade protocol; Malawi, Mozambique, and Zimbabwe expected to do so by 1998; Lesotho, Namibia, South Africa, Swaziland, and Zambia to decide on participation once tariff rates agreed upon. Two-thirds of members expected to ratify by August/September 1998 summit. November 1997 tariff study indicates most tariffs in SADC easily reducible with exception of textiles, apparel, and leather goods. Energy protocol ratified by six members; all states (except Mauritius) have agreed to create Southern African Power Pool (petroleum exploration, hydropower and electricity studies, and regional planning studies). Effort to expand South African industry offshore to SADC region.

Obstacles:
Ratification of protocols is a slow process. Members have problems with the current proposals on free movement of labor, lack of infrastructure, judicial cooperation, and sector-coodinating responsibilities. Southern African development depends heavily on South Africa's integration with rest of SADC; South Africa has indicated a willingness to open its relatively closed markets to other member states soon. SADC decisions must consider WTO requirements, but no clear plan for advancing regional integration exists.

1997-98 developments:
Botswana is the only SADC country to have ratified all eight SADC protocols. September 1997 summit discussed progress in the SADC-COMESA relations and their need to co-exist by ensuring coordination and harmonization in their programs. Developing a protocol on tourism; single regional visa proposed for tourists to South Africa, Swaziland, and Mozambique to help boost tourism.

U.S. trade with SADC countries

(Million dollars)

Item	1993	1994	1995	1996	1997
U.S. exports	2,690	2,654	3,428	3,795	3,584
U.S. imports	4,789	4,904	5,357	5,939	6,475
U.S. trade balance	-2,099	-2,249	-1,929	-2,145	-2,891

Sources: World Bank, *World Bank Development Report 1998*, tables 1.1 and 4.2; CIA, *World Factbook*, http:www.odci.gov/cia/publications/factbook/index.html; official statistics of the Department of Commerce compiled by USITC staff; Stat-USA, *Country Commercial Guides*, http://www.stat-usa.gov.**;** U.S. Department of State telegram "SADC Summit Communique," message reference No. 4900, U.S. Embassy Lilongwe; U.S. Department of State telegram "SADC Ministerial in Maputo," message reference No. 485, U.S. Embassy Maputo; U.S. Department of State telegram "South Africa: Economic Highlights," message reference No. 5445, U.S. Embassy Pretoria; U.S. Department of State telegram "SADC Secretariat Briefing in Maputo Ministerial," message reference No. 692, U.S. Embassy Gaborone; USITC staff interview with public and private sector officials in Namibia, July 1998; WildNet Africa News Archive, "Single Regional Visa Proposed for Tourists to SA, Swaziland and Mozambique," http://www.wildnetafrica.com/bushcraft/dailynews/1998archive/; U.S. Department of State telegram "Southern African Development Community," message reference No. 2639, U.S. Embassy Lilongwe.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1997-98

Southern African Customs Union (SACU)

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

Origins:
Created 1910.

Population:
48.2 million (1996), 87 percent of which is in South Africa.

GDP:
$135.3 billion (1996), 93 percent of which is from South Africa.

Goals:
Currently operating under terms of original agreement, which predates GATT/WTO rules. Members have begun to re-negotiate the SACU Treaty, in part to make it WTO-compliant.

Status:
A customs union. Key feature is a revenue-sharing formula that allocates fixed proportions of pooled regional tariff revenues to members, with all residual funds going to South Africa; program is managed by South Africa. Currently under re-negotiation, members trying to revise revenue sharing formula and management. Members except Botswana peg their currencies to the South African rand (Common Monetary Area) and back their currencies with rand reserves; Botswana's currency value is set by a weighted basket of currencies backed by reserves held in U.S. dollars. Common external tariff average 15 percent as of June 1997; manufacturing 15.6 percent, agriculture 5.6 percent, mining and quarrying, 1.4 percent.

Obstacles:
Members concerned that the pending South Africa-EU FTA could dilute Lomé Preferences and give South African exporters a competitive advantage over other members' products in some areas. Risk of investment diversion to South Africa. Botswana, Lesotho, Namibia, and Swaziland note that current tariff structure—which tends to reflect Outh Africa's trade priorities—is not ideal for their smaller economies. The regime is too complex and has a certain anti-export bias. The revenue-sharing formula lacks transparency. Negotiations to restructure SACU's tariff regime are underway.

1997-98 developments:
South Africa and EU announced they would like to conclude FTA framework negotiations in 1998. Swaziland hopes to receive technical aid for revenue diversification and tax administration to offset lost tariff proceeds. WTO conducted second review of SACU trade policies in April 1998, found group moved away from import-substitution to outward-oriented policies. Namibia plans to introduce a VAT in 1999 to help diversify revenue base, lessening impact of any SACU changes; possible introduction of VAT in Swaziland to improve revenue base and reduce reliance on SACU customs duties.

U.S. trade with SACU countries

(Million dollars)

Item	1993	1994	1995	1996	1997
U.S. exports	2,195	2,162	2,764	3,112	3,001
U.S. imports	1,959	2,164	2,334	2,470	2,713
U.S. trade balance	236	-2	430	642	288

Sources: World Bank, *World Bank Development Report 1998*, tables 1.1 and 4.2; CIA, *World Fact book*, http:www.odci.gov/cia/publications/Fact book/index.html; official statistics of the U.S. Department of Commerce compiled by USITC staff; Stat-USA, *Country Commercial Guides*, on internet at http://www.stat-usa.gov.; U.S. Department of State telegram "Swaziland—USITC Report on U.S.-Africa Trade," message reference No. 1575, U.S. Embassy Mbabane; World Trade Organization, *Trade Reviews: "Trade Policy Review Body-Review of the Members of the Southern African Customs Union (SACU)*, http://www.wto.org/wto/reviews/tprb74.htm; U.S. Department of State telegram "SADC Ministerial in Maputo," message reference No. 485, U.S. Embassy Maputo; U.S. Department of State telegram "South Africa: Economic Highlights," message reference No. 5445, U.S. Embassy Pretoria; U.S. Department of State telegram "SADC Secretariat Briefing in Maputo Ministerial," message reference No. 692, U.S. Embassy Gaborone; USITC staff interview with public and private sector officials in Windhoek, Namibia, July 13-15, 1998.

Table 2-9—Continued
Regional economic integration in Sub-Saharan Africa, 1997-98

Tripartite Commission for East African Co-operation (EAC)

Members:
Kenya, Tanzania, and Uganda.

Origins:
The original EAC was disbanded in 1977 over political and economic differences. The current organization was formed in May 1996 with the establishment of a Secretariat in Tanzania. The signing of a formal treaty is due in November 1998.

Population:
77 million(1996).

GDP:
$21.2 billion (1996).

Goals:
Near term economic goal is to eliminate tariffs (following COMESA guidelines, to which EAC members also belong). Plans to establish a customs union within the next few years. Political goals are to build regional integration from a base of popular support. Plan to sign an agreement to coordinate foreign policy. Other goals include harmonization of fiscal and monetary policy, traffic, environment, and security.

Status:
Formal treaty has established common passport and flag. First annual meeting in May 1997 outlined development strategy for 1997-2000. Have tried to harmonize fiscal and monetary policy; also trying to prevent tax evasion. Currency convertibility, finance ministerial meetings on respective budgets, and central bank coordination are part of group's initial development.

Obstacles:
As Tanzania adapts to the demands of a free market it has concerns regarding its ability to compete with the other members who are better developed. Need to resolve how benefits from common investments and services will be distributed.

1997-98 developments:
Telecommunications infrastructure project at $69 million proposed together with European Investment Bank and East African Investment Bank. Talks of expansion membership and closer relations with COMESA and SADC are planned.

U.S. trade with EAC countries

(Million dollars)

Item	1993	1994	1995	1996	1997
U.S. exports	169	245	201	168	321
U.S. imports	114	161	137	134	179
U.S. trade balance	55	84	64	33	142

Sources: World Bank, *World Bank Development Report 1998*, tables 1.1 and 4.2; CIA, *World Factbook*, http:www.odci.gov/cia/publications/factbook/index.html; official statistics of the U.S.Department of Commerce compiled by USITC staff; Stat-USA, *Country Commercial Guides*, http://www.stat-usa.gov.; EIU, *Country Profile: Kenya 1998-99*, p. 68.

economic development, Tanzania is the least developed member in the organization, and issues such as distribution of benefits from common investments need to be resolved, but the group is making progress in harmonizing their fiscal policies. Developments in U.S. policies that will focus on regional groupings (such as, under the pending Africa Growth and Opportunity Act and revisions to GSP) will provide African governments with additional incentives to make regionalization work. Many countries are already cooperating on infrastructure and other projects on a bilateral basis that will eventually increase overall regional integration across the entire subcontinent.

All of the Sub-Saharan African countries are members of the Organization of African Unity (OAU). The OAU was formed in 1963 with the goals of defending sovereignty and eliminating colonialism.[26] For the past two years the OAU has been petitioning for permanent observer status in the World Trade Organization (WTO).[27] In 1997, the OAU created an economic organization called the African Economic Community (AEC) with a mandate to establish an African Common Market. In 1998, the OAU focused on transportation initiatives, more specifically civil aviation, as a way to enhance Africa's economic development and integration into the global economy.

Investment in Sub-Saharan Africa

Global Investment Trends

Countries in Sub-Saharan Africa received an estimated $5.1 billion in foreign private investment[28] in 1997, a 4.3 percent decrease from 1996 (table 2-10).[29] This continued the decline which began the year before, after five consecutive years of increases averaging 59.7 percent per annum. However, Sub-Saharan Africa accounted for 3.3 percent of total foreign investment flows to developing countries in 1997, up slightly from 3.2 percent in 1996, (but down from a peak of 6.5 percent in 1995), and reflecting recent market reforms that made the region a more attractive investment market. Accelerated economic growth, increased market integration, and continued market reform would further enhance the region's competitiveness with alternative investment destinations in Asia and Latin America.

Economic and structural problems, including extreme poverty, fragmented markets, and widespread government ownership of key economic sectors are some of the factors that limit foreign investment in Sub-Saharan Africa. Extreme poverty hinders the growth of a consumer market and consequently deters many foreign firms from investing. The 48 countries that make up Sub-Saharan Africa are predominantly small, with stringent restrictions on cross-border trade. Market fragmentation in the region severely reduces the economies of scale available to potential investors in the region. Government ownership of lucrative or critical sectors of the economy precludes much foreign investment. In many Sub-Saharan countries, banking, insurance, petroleum, utilities, telecommunications, mining, and in some cases, manufacturing sectors are government-owned monopolies.[30]

Regulatory impediments—such as slow and insufficiently transparent licensing, outdated business laws, and unreliable judicial systems that do not provide effective dispute settlement— also deter foreign investment.[31] Many countries still impose price controls and restrictions on foreign-exchange transactions, profit remittance, and foreign ownership of land and assets. Tax administration is also poor and tax rates are often high.[32]

Physical infrastructure in most Sub-Saharan African countries is also underdeveloped, with poorly managed facilities or networks. Problems include frequent telecommunication failures, inadequate land transportation, port congestion, insufficient power generation, and lack of potable water or sanitation facilities. Inadequate physical infrastructure is a deterrent to foreign direct investment.[33]

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

[27] See chapter 3, "WTO Developments," for more information on OAU observership status in the WTO.

[28] Foreign private investment comprises direct investment, wherein a foreign person acquires 10 percent or more of a firm, and consequently, exercises some degree of direct control over the affairs of the firm, and portfolio investment, wherein a foreign person acquires shares below the 10-percent threshold, and exercises no direct control over the affairs of the firm.

[29] Percentage changes are calculated using rounded data; World Bank, *Global Development Finance*, 1998, Country Tables, pp. 14 and 38.

[30] International Finance Corporation (IFC), *Building the Private Sector in Africa*, found at Internet address http://www.ifc.org/, retrieved May 21, 1998, p. 8.

[31] Ibid.

[32] Ibid.

[33] The World Bank, *Infrastructure and Environment*, found at Internet address http://www.ipanet.net, retrieved June 4, 1998.

Table 2-10
Sub-Saharan Africa: Foreign private investment inflows, 1990-97

	1990	1991	1992	1993	1994	1995	1996	1997[1]
	(Billion dollars)							
Sub-Saharan Africa:								
Net FDI	0.8	1.6	1.6	1.9	3.3	3.8	3.3	3.0
Portfolio equity	0.0	0.0	0.1	0.2	0.9	4.9	2.0	2.1
Total foreign investment	0.8	1.6	1.7	2.1	4.2	8.7	5.3	5.1
All developing countries:								
Net FDI	23.7	32.9	45.3	65.6	86.9	101.5	119.0	120.4
Portfolio equity	3.2	7.2	11.0	45.0	32.6	32.5	45.8	32.5
Total foreign investment	26.9	40.1	56.3	110.6	119.5	134.0	164.8	152.8
	(Percent)							
Sub-Saharan Africa as share of developing countries:								
Net FDI	3.5	5.0	3.4	2.9	3.8	3.7	2.7	2.5
Portfolio equity	0.0	0.0	1.3	0.4	2.6	15.0	4.4	6.3
Total foreign investment	3.1	4.1	3.0	1.9	3.5	6.5	3.2	3.3

[1] Preliminary.

Source: World Bank, *Global Development Finance 1998, Country Tables*, pp. 14-38.

Sub-Saharan African countries' underdeveloped financial infrastructure also hinders investment. In many countries, banks are publicly owned and susceptible to government interference.[34] Consequently, banks generally channel available funds to state-owned enterprises, crowding out private sector borrowing. In addition, due to bad loan performance in the 1980s, foreign private lenders hesitate to lend to financial institutions in Sub-Saharan Africa. Most Sub-Saharan African banks have subinvestment-grade ratings that raise their cost of borrowing in international financial markets.[35] This amalgam of factors acts to constrain the amount of working capital available to foreign investors inside Africa.

Despite the persistence of factors that have historically acted to constrain foreign investment in Sub-Saharan Africa, and the decrease in inbound investment flows to the region during 1996-97, foreign investment in the region has become broadly more feasible and attractive over the course of the 1990s. The global economic embargo imposed on South Africa was lifted in 1993 after the apartheid regime was abolished, opening the continent's largest economy to trade and foreign investment. Sub-Saharan Africa's gross domestic product (GDP) increased by 4.8 percent, on average, in 1995-97, following an average annual growth rate of 1.4 percent in 1990-94.[36] If accelerated growth rates are sustained, they are likely to increase the region's attractiveness as an investment destination. In addition, as mentioned previously in this chapter, several attempts to expand markets through regional integration are underway. In the 1990s, at least 39 countries have created or revived regional common market agreements with the objectives of eliminating trade and investment barriers and harmonizing economic policies.

Most Sub-Saharan African governments have introduced economic reforms to control budget deficits and inflation, and to stabilize currencies. The measures undertaken to attract private capital have also included liberalization of regulations on trade and investment, reduction of import taxes, and abolition of most price controls. In addition, privatization is gaining acceptance and governments are slowly divesting their holdings. In 1996 and 1997, Sub-Saharan African governments raised an estimated $5.8 billion from privatization, primarily

[34] Huw Pill and Mahmood Pradhan, *Financial Liberalization in Africa and Asia, Finance and Development*, Washington, DC, June 1997, found at Internet address http://proquest.umi.com, retrieved June 4, 1998.

[35] June Uzonwanne, "Positioning Africa's Economies in an Era of Opportunity: Lessons from the Global Financial Markets," Africa Economic Analysis, 1998, found at Internet address http://www.afbis.com/analysis/sis/asia/htm, retrieved June 3, 1998.

[36] DOS, Africa: Macroeconomic Overview, Mar. 1998, found at Internet address http://www.state.gov/, retrieved May 22, 1998.

through divestitures of utilities and telecommunication firms.[37]

Global Foreign Direct Investment

The relative importance of FDI to Sub-Saharan Africa's economies is very high. Nigeria and Angola, for example, financed close to 50 percent of their gross fixed capital in 1995 through FDI.[38] Flows to the region accounted for 10 percent of total investments in 1997.[39] Sub-Saharan Africa received an estimated $3 billion in FDI flows in 1997 (table 2-10).[40] Direct investment in Sub-Saharan Africa increased at an average annual rate of 31.6 percent between 1990 and 1995, before declining by 11 percent, on average, in 1996 and 1997.[41] Growth in total FDI flows to developing countries leveled off at $120.4 billion in 1997, with flows to the Asia-Pacific region declining by 9 percent, and those to Latin America increasing by 10 percent.[42]

Although FDI flows to Sub-Saharan Africa increased more than threefold in absolute terms between 1990 and 1997, the region's share of investment allocated to developing countries declined. In 1997, Sub-Saharan Africa received 2.5 percent of global net FDI flows to developing countries, compared to an average of 3.6 percent during 1990-96.[43] This change occurred because a few developing countries, such as China, increasingly absorb a large share of direct investment to developing countries.

Flows to Sub-Saharan Africa are directed to a few countries and industries. Angola, Ghana, Nigeria, and South Africa accounted for 70 percent of FDI flows to Sub-Saharan Africa in 1997.[44] Investments were mainly directed to the oil and mining industries in Angola and Nigeria,[45] and to manufacturing and service industries in South Africa.[46] Investment in Ghana focused on mining, light manufacturing, and telecommunications.[47]

West European countries, mainly France and the United Kingdom, provide the majority of direct investment to Sub-Saharan Africa.[48] U.S. multinationals provide 15 percent of all investment flows to Sub-Saharan Africa.[49] Sub-Saharan African countries also receive direct investment from other emerging countries, notably those in Asia, which are attracted by high returns and low production costs. For example, Malaysia Telekom bought 30 percent both of Ghana Telecom in 1996, and, in consortium with SBC Communications, of South African Telkom in 1997.[50] Hyundai, a Korean company, is building an assembly plant in Botswana to supply the Sub-Saharan African automobile market. China and Taiwan also hold investments in Sub-Saharan Africa.[51]

Global Foreign Portfolio Investment

Today, 15 countries in Sub-Saharan Africa have functioning or planned stock exchanges (table 2-11). Combined market capitalization stood at $265 billion in 1995,[52] with South Africa accounting for $242 billion and 89 percent of portfolio equity flows in Sub-Saharan Africa,[53] which measured $2.1 billion in 1997. All exchanges in Sub-Saharan Africa were created or significantly reformed in the 1990s. The growth of exchanges outside of South Africa tend to be limited by government regulations generally unfavorable to foreign investment. Regulatory regimes in Sub-Saharan Africa tend to restrict foreign exchange transactions, and offer too little investor protection.[54]

U.S. Direct Investment in Sub-Saharan Africa

U.S. gross direct investment flows to Sub-Saharan Africa more than quadrupled in 1997 to $3.8 billion,

[37] The World Bank, Africa.
[38] UN, *World Investment Report 1997*, p. 60.
[39] U.S. Agency for International Development (USAID), *A New Day in Africa*, found at Internet address http://www.info.usaid.gov/regions/afr/new_day/overview.htm, retrieved May 21, 1998.
[40] World Bank, *Global Development Finance, 1998*, Country Tables, pp. 14 and 38.
[41] UN, *World Investment Report 1997*, pp. 303-304.
[42] The World Bank, *Global Development Finance 1998*, Analysis and Summary Tables, pp. 20 and 21.
[43] Ibid., Country Tables, pp. 14-38.
[44] The World Bank, *Global Development Finance 1998*, Analysis and Summary Tables, p. 135.
[45] Ibid.
[46] UN, *World Investment Report 1997*, p. 57.
[47] Ghana Embassy representative, interview by USITC staff, Washington, DC, June 25, 1998.
[48] Ibid.
[49] Ibid., p. 62.
[50] Ibid., and Telkom SA Limited, *Annual Report*, Chairman's Overview, found at Internet address http://www.telkom.co.za/annual_report1997/chairmans.htm, retrieved May 26, 1998.
[51] UN, *World Investment Report 1997*, p. 63.
[52] MBENDI, Africa's Stock Exchanges, found at Internet address http://mbendi.co.za/exaf.htm, retrieved May 28, 1998.
[53] The World Bank, *Global Development Finance 1997*, Extracts, found at Internet address http://www.worldbank.org, retrieved June 3, 1998. The Johannesburg Stock Exchange (JSE) in South Africa is the largest and the most active in the entire African continent, with more than 600 listed companies, most of which operate in the country's gold-mining industry.
[54] MBENDI, Africa's Stock Exchanges, retrieved May 28, 1998.

Table 2-11
Stock exchanges in Sub-Saharan Africa, 1997

Country	No. of listed companies	Market capitalization	Comments
		(Million U.S. dollars)	
Botswana	12	326	Established in 1995.
Côte d'Ivoire	31	914	Established in 1975, the Abidjan Stock Exchange became a regional exchange in 1997.
Ghana	21	1,493	Established in 1990.
Kenya	56	1,846	The Nairobi Stock Exchange was open to foreign investors in 1995, after 30 years.
Malawi	2	([1])	Established in 1996.
Mauritius	40	1,676	Established in 1990.
Mozambique	([1])	([1])	Planned in 1998.
Namibia	12	473	Established in 1992.
Nigeria	183	3,560	Established in 1960.
South Africa	626	241,571	The Johannesburg Stock Exchange was established in 1887. In 1995, major reform restructured membership, trading principles and systems, clearing and settlement, transfer and registration, capital requirements of member firms and financial structure of the exchange.
Swaziland	6	1,642	Established in 1990.
Tanzania	([1])	([1])	Established in 1998.
Zambia	5	229	Lusaka Stock Exchange was established in 1994.
Zimbabwe	64	3,635	Established in 1896 and opened to foreign investment in 1993.
Uganda	([1])	([1])	Established in 1997.

[1] Data unavailable.

Source: MBENDI, Africa's Stock Exchanges, found at Internet address http://mbendi.co.za/exaf.htm, retrieved May 28, 1998.

following twofold growth in 1996.[55] Still, U.S. direct investment flows to Sub-Saharan Africa amounted to only about 3.3 percent of total U.S. direct investment abroad in 1997.[56] The U.S. direct investment position in Sub-Saharan Africa, a stock rather than flow measure, totaled $4.9 billion in 1996, representing an 11 percent increase from 1995. U.S. companies invest primarily in petroleum in Nigeria and Angola.[57] South Africa hosted $1.4 billion of U.S. direct investment, or 28.6 percent of the total.

Most U.S. holdings in South Africa are in the manufacturing sector.[58] U.S. investment in Ghana is concentrated in mining and fabricated metals, food and related products, petroleum marketing, and telecommunication.[59]

U.S. Portfolio Investment in Sub-Saharan Africa

Few Sub-Saharan African companies list their stocks on U.S. exchanges. U.S. portfolio investment in Sub-Saharan Africa is largely channeled through mutual funds managed by U.S. investment companies. These funds integrate stocks of Sub-Saharan African companies with those of other emerging markets, or concentrate exclusively on Sub-Saharan African stocks. For example, Calvert New Africa Fund has 54 percent invested in South Africa, and smaller amounts in Botswana, Kenya, Ghana, and Zimbabwe. Sub-Saharan African stocks generally experienced

[55] U.S. Department of Commerce, U.S. Direct Investment Abroad, found at Internet address http://www.bea.doc.gov/, retrieved June 24, 1998.

[56] Ibid.

[57] DOS, *U.S. Trade and Investment in Sub-Saharan Africa*, Mar. 27, 1998, found at Internet address http://www.state.gov/, retrieved May 22, 1998.

[58] Ibid.

[59] DOS, *1997 Country Reports on Economic Policy and Trade Practices*, Ghana, Jan. 1998, found at Internet address http://www.state.gov/, retrieved June 24, 1998.

substantial growth in 1997. Merrill Lynch's Mideast/Africa Funds produced a 22.4 percent return in 1997. Morgan Stanley's Africa Investment Fund grew by as much as 22.9 percent in 1997.[60] During the same period, the Southern Africa Fund went up by 16.2 percent, and the New South Africa Fund by 16.7 percent.[61]

[60] USA Today, "Mutual Fund Managers Sense Opportunity in Africa," Apr. 21, 1998, found at Internet address http://www.usatoday.com/money/, retrieved May 21, 1998.

[61] Ibid.

CHAPTER 3
Finance, Trade, and Development Issues Affecting Trade and Investment Opportunities

U.S. trade and investment relationships with countries in Sub-Saharan Africa are influenced by a number of factors. U.S. export and investment relationships with the region are affected by policies and programs of the Export-Import Bank (Eximbank), the U.S. Trade and Development Agency (TDA), the Overseas Private Investment Corporation (OPIC), and various programs for agricultural exports operated by the U.S. Agency for International Development (USAID) and the U.S. Department of Agriculture (USDA).[1] The nature and level of U.S. imports from Sub-Saharan Africa are similarly influenced by changes in the U.S. Generalized System of Preferences (GSP) program.

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

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

[1] USDA administers Title I of Public Law 480, which provides sales of U.S. agricultural commodities using long-term concessional credit. U.S. agricultural export programs are discussed in chapter 4.

Developments in Multilateral Assistance to Sub-Saharan Africa

The World Bank Group and the African Development Bank Group (AfDB) are major sources of multilateral assistance for Sub-Saharan Africa.[2] The World Bank and AfDB lending finance specific development projects, and therefore can generally be classified by sector. In addition to these two organizations, the IMF provides concessional loans to countries experiencing balance-of-payments difficulties. These loans cannot be classified by sector. World Bank and AfDB projects, such as those dealing with transportation, water supply, and sewerage, typically involve the purchase of materials, equipment, and consulting services outside the recipient country. Other projects, such as those dealing with health, education, and public sector management, are likely to focus primarily on the purchase of consulting services from outside the recipient country.

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

Table 3-1
Summary of general developments in the World Trade Organization and in multilateral and U.S. trade and assistance for Sub-Saharan Africa, 1997-98

Institution/activity	1997 assistance levels for Sub-Saharan Africa	Other developments
World Trade Organization	In Sept. 1995, a WTO Trust Fund for Technical Cooperation was established with a $2.5 million contribution by Norway to help provide technical assistance to poorer and least-developed countries, particularly in Africa. Individual WTO Members—in particular the Netherlands, Norway, and Switzerland—have made contributions to the Trust Fund in 1996 and 1997 to help fund various programs that provide training regarding multilateral trade policy and implementation to officials from these countries through the WTO Three-year Plan for Technical Cooperation (1997-99).	In addition to activities carried out under the WTO Three Year Plan, trade ministers from 38 least developed countries participated in the Oct. 1997 High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development, sponsored by the WTO, IMF, World Bank, and UN agencies. The meeting began a process whereby need-assessments of individual least-developed countries were mutually examined so that integrated responses could be formulated by international organizations involved in providing development assistance. Several national and regional seminars on trade policy topics have been carried out since the Oct. 1997 meeting in many of these countries, as well as technical missions that have installed information technology equipment to help these countries maintain access to materials through the Internet.
Multilateral Economic and Trade Assistance		
The World Bank Group, International Development Association (IDA)/World Bank	Sectoral commitments made by the World Bank to countries in Sub-Saharan Africa in 1997 reached $1.7 billion.	The 11th IDA replenishment was held in March 1996, covering 1997-99. The IDA-11 agreement included an Interim Trust Fund (ITF) for FY 1997. As of June 30, 1997, receivables from contributions by IDA members, other than the United States, to the ITF totaled $3.8 million.
The World Bank Group: Multilateral Investment Guarantee Agency (MIGA)	In FY 1997, MIGA provided guarantees or coverage for seven projects in Sub-Saharan Africa, totaling approximately $70.1 million.	MIGA issued its first guarantees for a project in Guinea to cover equity and shareholder loan investments in the construction and operation of a modern flour mill.
The World Bank Group: International Finance Corporation (IFC)	The IFC made approximately $384 million in financing for 72 projects in 24 Sub-Saharan African countries during FY 1997.	In 1997, the African Enterprise Fund financed 44 investments for a total of $28.0 million.
U.S. Economic and Trade Assistance		
Export-Import Bank of the United States	Eximbank support in the form of loans, guarantees, and medium-term insurance to Sub-Saharan Africa increased from $3.0 billion in FY 1996 to $3.2 billion in FY 1997.	Nigeria and DROC accounted for almost one-half of EximBank exposure in Sub-Saharan Africa in 1997.

Table 3-1—Continued
Summary of general developments in the World Trade Organization and in multilateral and U.S. trade and assistance for Sub-Saharan Africa, 1997-98

Institution/activity	1997 assistance levels for Sub-Saharan Africa	Other developments
U.S. Economic and Trade Assistance—Continued		
U.S. Trade and Development Agency (TDA)	TDA's obligations in Sub-Saharan Africa declined to $4.6 million in FY 1997 from $5.0 million during FY 1996.	TDA was active in 19 countries of the region in FY 1997, including providing $2 million in assistance to South Africa alone.
Overseas Private Investment Corporation (OPIC)	OPIC insured more than $160 million in new U.S. investments in Sub-Saharan Africa, a decline of 6 percent from 1996.	Under the U.S. Partnership for Economic Growth and Opportunity for Africa, a $150 million private equity fund is being developed under OPIC to invest in commercial and natural resources projects in Sub-Saharan Africa.
African Development Bank Group (AfDB)	The AfDB approved $924 million in new loans in 1997 for projects in Sub-Saharan Africa.	In September 1997, the AfDF Micro-finance Initiative for Africa was approved. An allocation of $20 million was approved to start the program.
International Monetary Fund (IMF)	Total IMF loan disbursements to Sub-Saharan Africa decreased from $3.3 billion in 1996 to $1.3 billion in 1997.	During 1997, the IMF approved new Enhanced Structural Adjustment Facility financing arrangements for Benin, Burkina Faso, ROC, Ethiopia, Guinea, Madagascar, Mozambique, Niger and Tanzania.
Heavily Indebted Poor Countries debt relief (HIPC)	The HIPC debt initiative was agreed to by the IMF and the World Bank in late 1996. The initiative is designed to reduce the debt burden of heavily indebted poor countries to sustainable levels.	Six countries in Sub-Saharan Africa have qualified for HIPC debt relief totaling around $5.7 billion.
U.S. Generalized System of Preferences (GSP)	On May 30, 1997, the GSP program was renewed to June 30, 1998. The President designated 1,783 products eligible for GSP duty-free treatment when those goods are produced in the least-developed beneficiary developing countries (LDBDCs). Most of the LDBDCs are located in Sub-Saharan Africa.	There were $15.5 billion in duty-free imports entered under the GSP program in 1997, accounting for more than 13 percent of total U.S. imports. Angola was the leading GSP beneficiary from Sub-Saharan Africa in 1997.
Development Assistance and other economic assistance programs	USAID appropriations for FY 1997 were $665 and in FY 1998 were $700 million.	USAID's regional programs emphasize diverse initiatives such as expanding Internet access, crisis prevention, sustainable economic growth, support for national food security strategies, and small- and medium-scale business development. The Africa Trade and Investment Policy (ATRIP), started in 1998, supports African leaders who want to increase their openness to international trade and investment.

The World Bank Group

The World Bank/International Development Association

Most World Bank loans support specific development projects and sector-specific investment programs. The Bank also makes policy-oriented structural and sectoral adjustment loans, so developing countries can make the national policy changes and institutional reforms needed to improve their balance of payments and to restore balanced economic growth. The International Development Association (IDA), part of the World Bank Group, is responsible for concessional lending. It provides long-term loans that are interest-free to eligible borrowers from developing countries. The primary goal of IDA is to reduce poverty and to promote sustainable, diverse economic growth.[3]

The IDA is Africa's most important source of concessional lending, amounting to over $3 billion per year.[4] In 1997, 97 percent of World Bank disbursements to countries in Sub-Saharan Africa were IDA loans.[5] There are 80 countries eligible to borrow from IDA; those countries in Sub-Saharan Africa are listed in table 3-2. IDA funds are distributed to recipient countries based on their size, income level, and success in managing their economies and IDA projects.

Every 3 years, member governments are requested to replenish IDA funds. The 11th IDA replenishment was held in Tokyo, Japan, in March 1996, and covers fiscal years 1997 to 1999.[6] The donor countries at that meeting endorsed a package which will allow concessional lending of $22 billion to poor countries, of which $11 billion will be provided by contributing members. Countries in Sub-Saharan Africa are expected to receive 45 to 50 percent of IDA-11 funds.[7]

The IDA-11 agreement included an Interim Trust Fund (ITF) for FY 1997. The ITF was created to cover the shortfall in funds as a result of the absence of new contributions offered by the United States for FY 1997.[8] The United States announced that it would not cover the ITF, but intended instead to clear its arrears to IDA-10. As of June 30, 1997, receivables from contributions by other IDA members to the ITF totaled $3.8 million.[9]

[3] IDA, "Overview of the International Development Association," found at Internet address http://www.worldbank.org/html/extdr/idao.html, retrieved April 17, 1998.

[4] IDA, "The International Development Association, IDA and Africa," October 2, 1996, found at Internet address http://www.worldbank.org/html/extdr/ida3.html, retrieved April 17, 1998.

[5] Ibid., p. 40.

[6] IDA, "IDA and the Interim Trust Fund," (updated January 26, 1998), found at Internet address http://www.worldbank.org/html/opr/procure/eleven.html, retrieved April 17, 1998.

[7] IDA, "Overview of the International Development Association," found at Internet address http://www.worldbank.org/html/extdr/idao.html, retrieved April 17, 1998.

[8] For background information on IDA-11, see USITC, *U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, publication No. 3067, October 1997, pp. 3-12 and 3-13.

[9] World Bank, *The World Bank Annual Report*, 1997, p. 246.

Table 3-2
World Bank/IDA: Eligible Borrowers in Sub-Saharan Africa

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

Source: IDA, "Current IDA - Eligible Borrowers," (as of April 1997), found at Internet address http://www.worldbank.org/html/extdr/eligible.htm, retrieved April 17, 1998.

During FY 1997, 36 percent of new IDA commitments were allocated to Sub-Saharan Africa. The largest borrowers of IDA funds during FY 1997 were Ghana at $394 million (274.2 million Special Drawing Rights [SDR]); Mozambique at $379.6 million (263.6 million SDR); Côte d'Ivoire at $243.8 million (169.3 million SDR); Madagascar at $208.5 million (144.8 million SDR); Tanzania at $195.4 million (135.7 million SDR); and Senegal at $163.3 million (113.4 million SDR).[10] Together these countries accounted for 49 percent of total IDA lending to the region during FY 1997. Citing disappointing progress on policy reforms and social instability, the IDA had little or no lending to countries such as Angola, Burundi, Cameroon, Central African Republic, Rwanda, and Sierra Leone.

In addition, a few large projects in several well-performing borrowers, including Ethiopia and and Côte d'Ivoire, were postponed due to further work required to "ensure quality at entry or unresolved policy issues."[11]

Sectoral loan commitments made by the World Bank and IDA, and IBRD credits to countries in Sub-Saharan Africa during fiscal years 1993-97, are shown in table 3-3. During FY 1997, the largest loan commitments were in multisector with loans of $707.5 million; agriculture with loans of $193.7 million; electric power and other energy with loans of $163.7 million; urban development with loans of $147.3 million; and public sector management with loans of $110.1 million.[12]

As shown in table 3-4, World Bank projects approved for Sub-Saharan Africa in FY 1997 totaled more than $1.74 billion. The largest loan commitments approved in FY 1997 were for structural adjustment credit in Tanzania ($129 million); energy sector reform and power development project in Kenya ($125 million); third structural adjustment credit in Uganda ($125 million); and third economic recovery credit in Mozambique ($100 million).[13]

[10] Special drawing rights are a momentary unit of account calculated by the IMF, based on a basket of currencies. The value of the SDR in terms of the U.S. dollar is determined as the sum of the dollar values, based on market exchange rates, of specified quantities of the Deutsche mark, French franc, Japanese yen, British pound and the U.S. dollar. Exchange rate conversions were based on US$1.44=1 SDR.

[11] IDA, "IDA's FY 97 Commitments," found at Internet address http://www.worldbank.org/html/exdr/ida97/commitmnt.htm, retrieved April 17, 1998.

[12] The World Bank, *The World Bank Annual Report*, 1997, p. 40.

[13] Ibid., pp. 42 and 43.

Table 3-3
World Bank (IDA and IBRD) lending commitments in Sub-Saharan Africa to borrowers by sectors, fiscal years 1993-1997, and averages 1988-92

(*Million U.S. dollars by fiscal years*)

Sector	Average 1988-1992	1993	1994	1995	1996	1997
Agriculture	657.6	300.2	152.6	287.1	301.3	193.7
Education	257.2	401.9	325.5	201.2	131.6	75.1
Electric power and other energy	163.1	356.0	90.0	255.3	73.3	163.7
Environment	36.9	18.1	2.6	8.0	38.5	95.4
Finance	222.0	279.6	400.1	7.2	116.9	65.9
Health, population and nutrition	181.6	99.5	161.6	271.7	158.7	54.9
Industry	310.9	20.9.	16.8	120.0	23.7	23.8
Mining	15.1	-	-	24.8	12.2	21.4
Multisector	641.0	451.2	724.1	470.9	387.8	707.5
Oil and gas	57.6	2.4	186.2	-	-	-
Public sector Management	125.7	155.3	61.0	117.3	592.2	110.1
Social sector	39.9	43.7	46.7	39.8	257.5	-
Telecommunications	68.2	89.1	-	-	-	-
Transportation	405.4	483.0	501.9	74.8	420.7	52.9
Urban development	234.3	49.2	64.7	158.0	190.0	147.3
Water supply and sanitation	214.4	67.2	74.1	248.2	35.7	25.0
Total	3,630.8	2,817.3	2,807.9	2,284.3	2,740.1	1,736.7

Note.—Because of rounding, figures may not add to the totals shown.
Source: World Bank, *The World Bank Annual Report*, 1997, pp. 40-43.

Table 3-4
World Bank projects approved in Sub-Saharan Africa, FY 1997

Country/project name	Date of approval	Maturity dates	Principal amount *(million dollars)*
Benin			
Transport Sector Investment Program	Oct. 31, 1996	2007/2036	40.00
Burkina Faso			
Mining Sector Capacity Building and Environmental Management Project	June 30, 1997	2007/2037	21.40
Post-Primary Education Project	Dec. 24, 1996	2007/2036	26.00
Cameroon			
Second Structural Adjustment Credit	Nov. 14, 1996	2006/2035	25.20
Chad			
Second Structural Adjustment Credit	June 30, 1997	2007/2037	25.00
Comoros			
Third Education Project	June 30, 1997	2007/2037	7.00
Pilot Agricultural Services Project	Dec. 23, 1996	2007/2036	1.60
Cote d’Ivoire			
Rural Land Management and Community Infrastructure Development Project	May 30, 1997	2007/2037	41.00
Private Sector Development Adjustment Credit	Nov. 14, 1996	2007/2036	54.60
Djibouti			
Economic Reform Technical Assistance Project	Jan. 23, 1997	2007/2036	6.50
Eritrea			
Road Sector Engineering Project	Apr. 10, 1997	2007/2037	6.32
Gabon			
Privatization and Regulatory Capacity Building Technical Assistance Project	June 10, 1997	1997/2012	10.00
Ghana			
Village Infrastructure Project	May 30, 1997	2007/2036	30.00
Private Sector Adjustment Credit	Nov. 14, 1996	2005/2035	3.50
Public Financial Management Technical Assistance Project	Nov. 7, 1996	2007/2036	20.90
Guinea			
Third Supply and Sanitation Project	Apr. 17, 1997	2007/2037	25.00
Guinea-Bissau			
Basic Education Support Project	June 10, 1997	2007/2037	14.30
Kenya			
Energy Sector Reform and Power Development Project	June 19, 1997	2007/2037	125.00
Early Childhood Development Project	Apr. 8, 1997	2007/2037	27.80
National Agricultural Research Project—Phase II	Jan. 28, 1997	2007/2036	39.70
Structural Adjustment Credit	Nov. 14, 1996	2007/2036	26.60
Lake Victoria Environmental Management Project	July 30, 1996	2007/2036	12.80

Continued

Table 3-4—Continued
World Bank projects approved in Sub-Saharan Africa, FY 1997

Country/project name	Date of approval	Maturity dates	Principal amount *(million dollars)*
Madagascar			
Urban Infrastructure Project	June 25, 1997	2007/2037	35.00
Private Sector Development and Capacity Building Project	May 29, 1997	2007/2037	23.80
Structural Adjustment Credit	Mar. 14, 1997	2007/2037	70.00
Structural Adjustment Credit	Mar. 14, 1997	2007/2037	0.60
Second Environment Program	Jan. 9, 1997	2007/2036	30.00
Public Management Capacity Building Project	Sept. 3, 1996	2007/2036	13.83
Malawi			
Environmental Management Project	June 20, 1997	2007/2037	12.40
Fiscal Restructuring and Deregulation Program	Nov. 14, 1996	2007/2036	3.40
Mali			
Regional Hydropower Development Project	June 26, 1997	2007/2037	17.10
Pilot Private Irrigation Promotion Project	May 30, 1997	2007/2037	4.20
Urban Development Decentralization Project	Dec. 13, 1996	2007/2036	80.00
Mauritania			
Regional Hydropower Development Project	June 26, 1997	2007/2037	11.10
Rainfed Natural Resource Management Project	June 17, 1997	2007/2037	18.00
Public Resource Management Credit	Nov. 14, 1996	2007/2036	0.60
Mozambique			
Third Economic Recovery Credit	Feb. 4, 1997	2007/2037	100.00
Niger			
Urban Infrastructure Rehabilitation Project	May 29, 1997	2007/2037	20.00
Public Sector Adjustment Credit	Mar. 20, 1997	2007/2037	30.00
Health Sector Development Program	Sept. 5, 1996	2007/2036	40.00
Rwanda			
Emergency Reintegration and Recovery Project	June 25, 1997	2007/2037	50.00
Senegal			
Regional Hydropower Development Project	June 26, 1997	2007/2037	10.50
Urban Transport Reform and Capacity Building Technical Assistance Project	June 13, 1997	2007/2036	6.60
Sustainable and Participatory Energy Management Project	June 12, 1997	2007/2036	5.20
Endemic Disease Control Project	May 8, 1997	2007/2036	14.90
Agricultural Sector Adjustment Credit	Nov. 14, 1996	2007/2035	1.80
Sierra Leone			
Structural Adjustment	Nov. 14, 1996	2004/2033	0.15
South Africa			
Industrial Competitiveness and Job Creation Project	May 29, 1997	2001/2012	46.00
Tanzania			
Structural Adjustment Credit	June 20, 1997	2007/2037	128.90
National Agricultural Extension Project—Phase II	July 11, 1996	2007/2036	31.10
River Basin Management and Smallholder Irrigation Improvement Project	July 11, 1996	2007/2036	26.30
Lake Victoria Environmental Management Project	July 30, 1996	2007/2036	10.10

Continued

Table 3-4—Continued
World Bank projects approved in Sub-Saharan Africa, FY 1997

Country/project name	Date of approval	Maturity dates	Principal amount *(million dollars)*
Uganda			
Third Structural Adjustment Credit	June 6, 1997	2007/2037	125.00
Lake Victoria Environmental Management Project	July 30, 1996	2007/2036	12.10
Zambia			
Environmental Support Program	June 10, 1997	2007/2037	12.80
Enterprise Development Project	May 27, 1997	2007/2037	45.00
Second Economic and Social Adjustment Credit	Nov. 14, 1996	2007/2036	7.80
Second Economic and Social Adjustment Credit	Aug. 1, 1996	2007/2036	90.00
Zimbabwe			
Rural District Council Pilot Capital Development Project	May 29, 1997	2007/2037	12.25
Total			1,736.75

Source: World Bank, *The World Bank Annual Report, 1997*, pp. 42-43.

Other World Bank Programs

In addition to the World Bank's loans and IDA credits in Sub-Saharan Africa, the World Bank is involved with programs in partnership with other organizations. For example, communications links are being established in Ghana, Malawi, Mozambique, and Senegal with the help of the Economic Development Institute (EDI) and in partnership with the United Nations Economic Commission for Africa (UNECA). UNECA is leading the African Information Society Initiative and the Harnessing Information and Technology Development component of the UN Special Initiative for Africa. The World Bank also provides support for the Global Coalition for Africa, launched in 1990 as a forum for building consensus on development issues among African countries and their external partners. The World Bank concluded a cooperation arrangement with the EU in 1997 that will focus on developing private sector and human resources in Côte d'Ivoire, Ethiopia, and Mozambique. Another World Bank partnership is the Road Maintenance Initiative, which helps countries implement policy reforms that will ensure that road maintenance is financed on a sustainable basis. As a result of this program, substantial road maintenance policy reforms have recently been undertaken in Ghana and Zambia. The Economic Community of West African States (ECOWAS) is also cooperating with the World Bank in this program, and has decided to introduce a funding mechanism for road maintenance based on user fees and stakeholder representation in each member country.[14]

[14] Ibid., pp. 44-46.

Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agency (MIGA) is affiliated with, but financially independent of, the World Bank.[15] MIGA offers technical assistance, investment promotion, and investment marketing to encourage the flow of investment capital to its members. In 1997, MIGA was composed of 141 industrialized and developing countries. Table 3-5 lists those countries in Sub-Saharan Africa that are currently members of MIGA and those that are in the process of fulfilling membership requirements.[16]

During FY 1997, MIGA provided guarantees or coverage for seven projects in Sub-Saharan Africa, totaling approximately $70.1 million (table 3-6).[17] In addition to the projects listed in table 3-6, MIGA issued its first guarantees for a project in Guinea to cover equity and shareholder loan investments in the

[15] MIGA's primary purpose is to encourage the flow of investment capital between member countries, particularly to developing member countries. MIGA issues guarantees against noncommercial risks for foreign direct investments in its developing member countries that originate in any of its member countries, and provides technical assistance to developing member countries to improve their ability to attract foreign direct investment. MIGA was created to supplement World Bank and IFC funding and to complement, on a global basis, national and regional investment risk insurance programs. MIGA, *MIGA Annual Report*, 1997, p. 11.

[16] Ibid., p. 8.

[17] MIGA, *MIGA in Africa*, found at Internet address http://www. ipanet.net/region/mia.htm, retrieved April 21, 1998.

Table 3-5
MIGA members and countries in the process of fulfilling membership requirements, Sub-Saharan Africa, 1997

MIGA Member countries (36):		
Angola	Guinea	South Africa
Benin	Kenya	Sudan
Botswana	Lesotho	Swaziland
Burkina Faso	Madagascar	Tanzania
Cameroon	Malawi	Togo
Cape Verde	Mali	Uganda
Congo (Brazzaville)	Mauritania	Zambia
Congo (Kinshasa)	Mauritius	Zimbabwe
Côte d'Ivoire	Mozambique	
Equatorial Guinea	Namibia	
Eritrea	Nigeria	
Ethiopia	Senega	
The Gambia	Seychelles	
Ghana	Sierra Leone	
Countries in the Process of Fulfilling Membership Requirements (6):		
Burundi	Guinea-Bissau	
Chad	Niger	
Gabon	Rwanda	

Source: MIGA, *MIGA Annual Report,* 1997, p. 8.

construction and operation of a modern flour mill in Dubreka. MIGA issued $8.3 million in total coverage for this project. The project is expected to generate $1.4 million in net foreign exchange per year and create about 70 jobs for Guineans, who will receive administrative and technical training.[18]

International Finance Corporation

The International Finance Corporation (IFC), a member of the World Bank Group, is the largest multilateral source of loan and equity financing for private sector projects in developing countries, amounting to $6.7 billion worldwide in FY 1997. Approximately 5.7 percent of total IFC financing in 1997, or $384 million, was accounted for by lending to Sub-Saharan Africa.[19] The IFC's main objective in the region is to help increase the amount and quality of private investment through its own resources and the mobilization of foreign capital. Currently 46 Sub-Saharan African countries are members of the IFC (table 3-7).

In FY 1997, the IFC approved $384 million in financing for 72 projects in 24 Sub-Saharan African countries. Africa had the highest rate of approvals for any region, with one out of every four projects approved. Small and medium enterprises, the fastest-growing segment in Africa's private sector, accounted for 70 percent of the number of all FY 97 approvals.[20] Some of the projects approved by the IFC in Sub-Saharan Africa during 1997 included Mozambique, Mozal Aluminum Company ($120 million in long-term loan and quasi-equity financing for aluminum production); Zambia, Intermarket Discount House of Zambia Limited ($500 million equity investment for discount house); and Gabon, Compagnie Générale des Eaux de France ($600 million concession arrangement for privatization of electricity and water services).[21]

The African Enterprise Fund (AEF) was established in 1989 by the IFC as a pilot program to provide debt and equity financing for projects ranging in cost from $250,000 to $5 million. AEF was subsequently extended and expanded in 1995. AEF provides up to 40 percent of the financing on approved projects, usually by means of a loan, an equity investment, or a combination of the two. Typically, AEF financing ranges between $100,000 and 1.5 million.[22]

[18] MIGA, *MIGA Annual Report*, 1997, pp. 22-23.
[19] IFC, *IFC Annual Report*, 1997, found at Internet address http://www.ifc.org/AR97/html/table21a.htm, retrieved April 22, 1998.
[20] Ibid.
[21] Ibid.
[22] IFC, *Africa Enterprise Fund*, found at Internet address http://www.ifc.org/abn/aef/aef.htm, retrieved April 15, 1998.

Table 3-6
MIGA Guarantees Issued in Sub-Saharan Africa, 1997

Country	Investor	Investor Country	Guarantee Amount	Sector
Cameroon	Société Internationale de Plantations	France	$370,000	Agribusiness
Ghana	GSM Gold Limited	Luxembourg	$9,850,000	Mining
Guinea	Société de Promotion Financière et d'Investissement, S.A. Agro-Industrial Investment and Development Promofin Outremer, S.A.	Luxembourg Switzerland Luxembourg	$8,300,000	Agribusiness
Madagascar	Savana Savana Savana	France France France	$549,000 $549,000 $549,000	Tourism Tourism Tourism
Mali	Anglo American Corporation of South Africa Limited	South Africa	$50,000,000	Mining
South Africa	Habib Bank AG Multiserv International NV Multiserv International NV	Switzerland Netherlands Netherlands	12,300,000 4,500,000 4,00,000	Finance Manufacturing Manufacturing
Tanzania	Wilken Group Limited Wilken Group Limited Standard Chartered Bank Africa plc	United Kingdom United Kingdom United Kingdom	$202,520 $227,859 $8,308,000	Infrastructure Infrastructure Finance
Uganda	British Gas PLC Reinsured by ECGD	United Kingdom	$64,800,000 $14,956,000	Oil and gas

Source: MIGA, "MIGA in Africa," found at Internet address http://www.ipanet.net/region/mia.htm, retrieved April 22, 1998 and MIGA, *MIGA Annual Report,* 1997, pp. 22 and 23.

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

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

Source: IFC, *Sub-Saharan Africa*, found at Internet address http://www.ifc.org/depts/html/africa.htm, retrieved April 22, 1998.

In FY 1997, AEF financed 44 investments for a total of $28.0 million, increasing the number of projects approved since its creation to 226 for a total cost of $138.8 million. Seven other SME projects (for a total IFC financing of $6.7 million) were approved under the Small Enterprise Fund. These projects included agriculture, manufacturing, textiles, tourism, telecommunications, schools, health, transport, and the automotive industry. Some examples of projects approved include a public telephone service in Nigeria, a nursery and primary school in Kenya, an intravenous fluids manufacturer in Mozambique, and a mango export processing plant in Madagascar.[23]

An organization established by the IFC in 1986 in cooperation with the United Nations Development Programme (UNDP) and the AfDB is the Africa Project Development Facility (APDF). The APDF assists African small- and medium-sized entrepreneurs in making the transition to the modern industrial sector by helping to develop business plans, seek local or foreign financial and technical partners, raise loan and equity financing, and negotiate equitable financing terms. APDF typically assists with investment costs ranging from $250,000 to $7 million, but also considers smaller projects likely to have a significant impact in the host country.[24] In 1997, APDF completed 40 projects in 14 countries.[25]

In 1995, IFC and the Canadian International Development Agency (CIDA) established the Enterprise Support Service for Africa (ESSA). ESSA provides technical assistance to businesses after they secure financing, primarily in production, marketing, management information systems, and administration. In 1996, ESSA worked with 14 companies. In coming years, it plans to help 10 to 15 clients per year.[26]

The African Development Bank Group

The African Development Bank Group consists of three institutions: the AfDB, the AfDF, and the Nigeria Trust Fund (NTF). The AfDB Group was established in 1964 to promote economic and social development through loans, equity investments, and technical assistance.[27]

In 1997, the AfDB Group approved a total of 102 projects, studies, and private sector investments with a combined total value of $1.88 billion. Of this amount, more than $750 million was directed at higher income African countries, and $1.2 billion went to the poorest members on highly concessional terms. Moreover, $50 million went to private sector activities. In September 1997, the AfDB Board of Directors approved a proposal to upgrade the private sector unit of the Bank to a full-fledged department.[28]

In September 1997, the AfDF Micro-finance Initiative for Africa (AMINA) was approved by the AfDB Board of Directors as a pilot project. The scheme will assist in making financial services accessible to microbusinesses, especially those run by women and the poorest members of society.[29] The Board approved the allocation of $20 million to start the program. The AfDB has ongoing projects with microfinance components in the Sub-Saharan African countries of The Gambia, Ghana, Senegal, Malawi, Mozambique, Sierra Leone, Gabon, Uganda, Mali, and Benin.[30]

In September 1997, the Board of Directors approved the Supplementary Financing Mechanism (SFM) to assist performing AfDF countries in meeting interest payments on their outstanding AfDB debt. The SFM will provide additional concessional assistance to eligible countries. For 1997-1998, the AfDF has allocated an initial amount of $200 million for the SFM.[31]

Table 3-8 provides information regarding total AfDB funding for projects in specific Sub-Saharan countries approved during 1997. Project lending accounted for the largest share of AfDF lending during 1997. Emphasis for project lending was placed on those areas with direct relevance to poverty reduction.

[23] IFC, *Annual Report*, 1997, found at Internet address http://www.ifc.org/AR97/html/3-3.html, retrieved April 8, 1998.

[24] IFC, *Annual Report,* 1997, found at Internet address http://www.ifc.org/AR97/html/3-3html, retrieved April 8, 1998.

[25] U.S. Department of State official, telephone conversation with USITC staff, May 20, 1997.

[26] Ibid.

[27] The NTF was established by the Government of Nigeria in 1976 as a means to finance projects in some African countries at concessional rates. In addition to the 48 countries of Sub-Saharan Africa, other African members of the AfDB include Algeria, Egypt, Libya, Morocco, and Tunisia. South Africa became a member of the AfDB in December 1995. The United States joined the AfDB in 1982 when membership was opened to non-African countries. The United States has been a minor source of goods and services procured on AfDB loans. Found at Internet address http://afdb.org/about/afdbgrp.html.

[28] AfDB, *Annual Report*, 1997, p. 3.

[29] Ibid.

[30] Ibid., pp. 44 and 45.

[31] Ibid., pp. 45 and 46.

Table 3-8
Total AfDB Projects Approved during 1997, by country

Country	Total Number of Projects	AfDB Funding (*Million of dollars*)
Benin	4	24.0
Burkina Faso	4	44.2
Cameroon	5	22.1
Cape Verde	4	11.2
Chad	5	50.2
Côte d'Ivoire	2	4.6
Eritrea	3	3.4
Ethiopia	1	37.8
The Gambia	3	14.9
Ghana	5	78.3
Guinea	5	40.4
Guinea-Bissau	2	25.0
Kenya	1	1.5
Lesotho	1	1.1
Madagascar	4	46.7
Malawi	5	52.8
Mali	5	80.0
Mauritania	2	5.5
Mozambique	2	102.6
Niger	1	.9
Rwanda	1	2.0
São Tomè & Principe	2	2.5
Senegal	2	27.0
Sierra Leone	2	18.0
Tanzania	7	145.3
Togo	2	16.5
Uganda	1	37.5
Zambia	1	24.0
Zimbabwe	1	4.1
Total	83	924.0

Source: AfDB, *Annual Report*, pp. 140-141. Exchange rate: 1UA=$1.35 for 1997.

International Monetary Fund

The primary goals of the IMF are to promote international monetary cooperation; to facilitate expansion and balanced growth of international trade; to promote exchange stability; to help establish a multilateral system of payments; to provide loans to member countries experiencing balance-of-payments difficulties; and to shorten the duration and lessen the degree of disequilibrium in the international balance of payments of its members.[32]

The IMF offers several facilities and policies to assist its members with balance-of-payments problems and to help cushion the impact of structural adjustment. Regular facilities include reserve tranches, credit tranches, standby arrangements, and the Extended Fund Facility (EFF).[33] In FY 1997, a standby arrangement was approved for Lesotho.[34] The IMF's special facilities include the Compensatory and Contingency Financing Facility (CCFF) and the Buffer Stock Financing Facility, which has not been used since 1983.[35] The IMF offers concessional facilities in the form of the Structural Adjustment Facility (SAF), which provides low-income members with concessional loans for medium-term macroeconomic adjustment policies and structural reforms. The Enhanced Structural Adjustment Facility (ESAF) is the IMF's primary means of providing

[32] The IMF currently has 181 members, including all the countries of Sub-Saharan Africa. Most IMF lending to members with balance-of-payments difficulties is provided on a short-term basis. The IMF provides longer term concessional balance-of-payments support to low-income developing countries that face protracted balance-of-payments problems. IMF, *The IMF at a Glance*, found at Internet address http://www.imf.org/external/np/exr/facts/glance.htm, retrieved April 15, 1998.

[33] IMF, *Annual Report*, p. 103.
[34] Ibid., p. 129.
[35] Ibid., p. 130.

financial support, in the form of highly concessional loans to low-income members with protracted balance-of-payments problems. Currently, 79 low-income countries are eligible to use ESAF. As of February 1998, a total of about $8.1 billion had been disbursed under 68 ESAF arrangements to 48 developing countries.[36] During FY 1996-97, the IMF approved 12 new ESAF arrangements, including 9 to Sub-Saharan Africa. The nine countries receiving new ESAF arrangements were Benin, Burkina Faso, ROC, Ethiopia, Guinea, Madagascar, Mozambique, Niger, and Tanzania.[37] On February 4, 1997, the IMF established the Enhanced Structural Adjustment Facility—Heavily Indebted Poor Countries (ESAF-HIPC) Trust for financing ESAF subsidy operations under the HIPC initiative. The HIPC initiative is summarized in the following section.

Total IMF credit and outstanding IMF loans to Sub-Saharan Africa totaled $9.6 billion (7.1 billion SDRs) as of January 31, 1998.[38] Zambia had the largest credit and outstanding loan balance at $1.1 billion (843.4 million SDRs), followed by Sudan at $790 million (588.0 million SDRs), Côte d'Ivoire at $445 million (333.5 million SDRs), South Africa at $413 million (307.2 million SDRs), and DROC at $405.2 million (301.3 million SDRs).[39] Total IMF loan disbursements to Sub-Saharan Africa decreased from $3.3 billion (2.3 billion SDRs) in 1996 to $1.3 billion (992 million SDRs) in 1997.[40]

At the end of FY 1997, four Sub-Saharan African countries—Liberia, Somalia, Sudan, and DROC—remained ineligible to use the general resources of the Fund, pursuant to the IMF's declarations set out under Article XXVI, Section 2(a). These four countries accounted for 95 percent of total overdue obligations to the Fund on that date. Declarations of noncooperation were in effect with respect to three countries: Liberia (issued March 30, 1990), Sudan (September 14, 1990), and DROC (February 14, 1992).[41]

Debt Reduction for the Poorest Countries

Debt reduction serves to maximize the recipient country's future repayment capacity to its creditors, while also easing a debt burden which serves as a major deterrent to investment and growth. Many of the recipients are in Sub-Saharan Africa.

The Paris Club[42] provides debt reduction to the poorest countries under "Naples Terms" or as part of the new Heavily Indebted Poorest Countries (HIPC) initiative. "Naples Terms" treatment provides for up to 67 percent debt reduction for eligible poorest countries that demonstrate sustained economic performance, but are in imminent default on their debt service obligations. The United States provides debt relief for the poorest, most heavily indebted countries as part of multilateral action in the Paris Club. During FY 1997, the United States committed in the Paris Club to provide debt relief to six Sub-Saharan African countries. A total of $166.4 million in debt owed to the United States was reduced or rescheduled under these agreements. As of May 1998, the United States had committed to reduce or reschedule an estimated $150.7 million for three additional sub-Saharan African countries during FY 1998.

The HIPC debt initiative provides debt relief to countries that have demonstrated 3 years of sustained economic reforms, yet would be unable to achieve sustainable debt levels through relief provided under Naples Terms. The goal of the HIPC initiative is to reduce the debt burden of heavily indebted poor countries to sustainable levels. It provides coordinated debt relief by all creditors (including on obligations to the IMF, the World Bank, and other multilateral financial institutions) on a case-by-case basis. The Paris Club has agreed to provide debt relief up to 80 percent for qualifying countries under the HIPC debt initiative. The HIPC initiative, in particular, reinforces efforts of recipient countries to undertake deeper macroeconomic adjustment as well as structural and social policy reforms, including poverty reduction and improved health care and education. So far six countries (Uganda, Burkina Faso, Guinea, Mozambique, and Côte d'Ivoire in Sub-Saharan

[36] IMF, "IMF Concessional Financing Through ESAF," March 1998, found at Internet address http://www.imf.org/external/np/exr/facts/esaf.htm, retrieved April 24, 1998.

[37] IMF, *Annual Report*, p. 130.

[38] Exchange rate conversions (dollars/SDR) for this section are as follows: 1.438 (1996); 1.349 (1997); and 1.345 (1998).

[39] IMF, *International Financial Statistics*, March 1998, pp. 13-14.

[40] IMF, *Annual Report 1997*, p. 129.

[41] Ibid., p. 133.

[42] The Paris Club is the forum in which official creditors, mainly from the member countries of the Organization for Economic Co-operation and Development (OECD), meet with debtor governments to negotiate rescheduling agreements when debtors face imminent default on their sovereign obligations. Information in this section is based on a facsimile transmission received by USITC staff from the Office of International Debt Policy, U.S. Department of the Treasury, dated May 21, 1998.

Africa, and Bolivia in South America) have qualified for HIPC debt relief totaling around $5.7 billion. Uganda was the first country to receive final HIPC debt relief, which will total $650 million in nominal terms, in April 1998.[43]

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

The major progams supported by the U.S. government are the Export-Import Bank of the United States, the U.S. Trade and Development Agency, the Overseas Private Investment Corporation, the U.S. Agency for International Development, and the U.S. Generalized System of Preferences. Developments in U.S. economic programs and the aforementioned trade assistance programs during 1997 are discussed in the following sections.

The Export-Import Bank of the United States

The Export-Import Bank of the United States (Eximbank) is an independent U.S. Government agency that assists in the sale of U.S. goods and services overseas. This assistance is provided through financing loans and other credit measures. EximBank provides working capital loans to U.S. exporters, guarantees the repayment of commercial loans to foreign buyers of U.S. goods and services, provides export credit insurance against the risk of nonpayment by foreign buyers for political or commercial reasons, and makes direct loans to foreign buyers of U.S. goods.[44]

Eximbank support to Sub-Saharan Africa, which consists of loans, guarantees, and medium-term insurance, increased from $3.0 billion in FY 1996 to $3.2 billion, or 6.5 percent of its total worldwide exposure of $48.8 billion as of September 30, 1997. Delinquencies in Sub-Saharan Africa on Eximbank lending remained steady at $1.6 billion as of September 30, 1997. Table 3-9 lists Eximbank exposure, delinquency, and availability of financing in Sub-Saharan Africa as of September 30, 1997.

[43] U.S. Department of State, Bureau of African Affairs, "U.S. Assistance and Debt Relief in Sub-Saharan Africa," March 27, 1998, found at Internet address http://www.state.gov/www.regions/africa/fs_debtrelief_980327.html.

[44] Ex-Im Bank, "History of Ex-Im Bank," May 30, 1996, found at Internet address http://www.exim.gov/history.html, retrieved April 24, 1998.

U.S. Trade and Development Agency

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

TDA's obligations in Sub-Saharan Africa declined to $4.6 million in FY 1997 from $5.0 million during FY 1996 (table 3-10). TDA was active in 19 countries of the region, including country-specific and regional program activities. In FY 1997, TDA provided assistance worth more than $2 million to South Africa alone.[45]

The time lag between funding project planning activities and the identification of actual export sales associated with projects varies widely. In FY 1997, some examples of TDA projects included radio spectrum monitoring, coalbed methane utilization and rail transportation in South Africa; feasibility studies to develop private power projects in Zambia and Uganda; adding bagasse-fired cogeneration capacity to sugar mills in Uganda; and rehabilitating and expanding hydroelectric power generation facilities in Zambia.[46]

In Sub-Saharan Africa, the environment was a major strategic focus in FY 1997. In May 1997, TDA sponsored an orientation visit of six African project sponsors to the United States to see solid waste management facilities and equipment suppliers. In Senegal, TDA is funding a feasibility study on solid waste and another on a reverse osmosis desalination project. In South Africa, TDA is funding projects on waste management.[47]

Overseas Private Investment Corporation (OPIC)

OPIC is a self-sustaining U.S. Government agency that provides investment information, financing, and political risk insurance for U.S. investors in countries eligible for its support. OPIC finances new investment or modernization of existing production or service facilities through direct loans and loan guarantees. OPIC provides medium- to long-term financing for

[45] U.S. Trade and Development Agency, *1997 Annual Report*, pp. 10-11.

[46] Ibid.

[47] Ibid, p. 17.

Table 3-9
Sub-Saharan Africa: Export-Import Bank exposure[1], delinquency[2], and availability[3] for further support as of September 30, 1997

Country	Exposure	Delinquency	Availability
Angola	$94,915,655	$1,105,211	No
Benin			P.A.
Botswana			Yes
Burkina Faso			P.A.
Burundi			No
Cameroon	94,413,482	4,458,727	No
Cape Verde			No
Central African Republic	7,805,095	1,652,983	No
Chad			No
Comoros			No
Congo (ROC)	22,864,759	6,940,817	No
Congo (DROC)	921,830,192	929,823,201	L
Côte d'Ivoire	179,308,309	50,313	P.A.
Djibouti			No
Equatorial Guinea			No
Eritrea			No
Ethiopia			No
Gabon	74,639,992	2,001,816	P.A.
The Gambia			No
Ghana	520,674,293		Yes
Guinea	7,593,494		No
Guinea-Bissau	119,048		No
Kenya	107,266,922	7,513,513	P.A.
Lesotho			Yes
Liberia	5,980,110	6,995,121	No
Madagascar	24,366,966	25,698,738	No
Malawi			No
Mali			P.A.
Mauritania			No
Mauritius	2,120,585		Yes
Mozambique	48,589,817	6,887,720	No
Namibia			Yes
Niger	6,821,520	1,879,226	P.A.
Nigeria	713,510,400	560,712,439	L
Rwanda			No
São Tome and Principè			No
Senegal	1,813,245		P.A.
Seychelles	9,088,036		Yes
Sierra Leone	12,529,960		No
Somalia			No
South Africa			Yes
Sudan	28,246,331	42,919,397	L
Swaziland			Yes
Tanzania	26,343,136	11,767,993	No
Togo	2,820		No
Uganda	5,024,765		P.A.
Zambia	146,971,849	29,862,398	No
Zimbabwe	131,663,013		Yes
Total	3,194,384,746	1,640,388,661	

[1] Exposure = authorization of all forms of support minus repayment and cancellations
[2] Arrears in the repayment of principal
[3] Yes = Available for all six types of financing: short, medium, and long term for both private and public buyers of U.S. goods and services; No = Not available; P.A. = Partially available for some of the six types of financing; L = Support is legally prohibited.

Source: Availability as of March 30, 1998, found at Internet address http://www.exim.gov:80/country/cntlimit.html. Other information based on a facsimile transmission received by USITC staff from the Eximbank dated May 19, 1998.

Table 3-10
TDA Program Activities in Africa, FY 1997

Country	Title	Activity	Funds Obligated (dollars)
Angola	Transportation Project Identification	Definitional Mission	24,891
Benin	Combined Cycle Gas-Fired Power Plant	Desk Study	2,500
Cameroon	World Bank Africa Division Biomedical Equipment	Technical Assistance	44,600
Eritrea	Sugar Production Contour Mapping	Technical Assistance	200,000
Ethiopia	World Bank Africa Division Power Generation	Technical Assistance	*57,750
Ethiopia	Asphalt Plant	Desk Study	2,490
Lesotho	World Bank Africa Division Highlands Water	Technical Assistance	*40,800
Mauritius	Diesel Power Plant Expansion	Technical Assistance	61,338
Mozambique . . .	World Bank Africa Division Water Development	Technical Assistance	*48,000
Namibia	Walvis Bay Desalination	Desk Study	2,499
Namibia	Tsumeb-Oshakati Railroad Extension	Feasibility Study	260,000
Senegal	Dakar Solid Waste Management	Feasibility Study	180,000
South Africa . . .	Million Line Project	Training	500,000
South Africa . . .	Lebowa Coalbed Methane Production and Utilization	Feasibility Study	137,000
South Africa . . .	Emergency Telecommunications System	Definitional Mission	25,000
South Africa . . .	Emergency Telecommunications System	Conference	94,512
South Africa . . .	Intra-Airport Transportation	Definitional Mission	22,376
South Africa . . .	Vessel Traffic Services System	Desk Study	1,000
South Africa . . .	Makatini Sugar Mill	Desk Study	1,000
South Africa . . .	IFC Makatini Sugar Mill	Feasibility Study	150,000
South Africa . . .	Airport Track Transit System	Feasibility Study	345,000
South Africa . . .	Municipal Mass Transit	Feasibility Study	150,000
South Africa . . .	SATRA Telecommunications Regulatory Authority	Orientation Visit	97,669
South Africa . . .	SATRA Telecommunications Regulatory Authority	Technical Assistance	8,000
South Africa . . .	South Africa Project Identification Briefing Book	Technical Assistance	99,695
South Africa . . .	South Africa Trade Conference	Orientation Visit	74,177
South Africa . . .	SATRA Cellular Telecommunications	Desk Study	2,400
South Africa . . .	SATRA Spectrum Management	Desk Study	2,125
South Africa . . .	SATRA Spectrum Management	Feasibility Study	250,000
South Africa . . .	Waste-By-Rail System	Orientation Visit	50,000
South Africa . . .	Cape Town Solid Waste Managemen	Feasibility Study	278,000
Swaziland	Cellular and Data Transmission Report	ReviewDesk Study	1,000
Tanzania	Coalfields Feasibility Study Evaluation	Technical Assistance	25,000
Uganda	Kakira Sugar Works Electricity Cogeneration	Desk Study	2,500
Uganda	Kakira Sugar Works Electricity Generation	Feasibility Study	175,000
Zambia	Hydroelectric Privatization/Rehabilitation	Desk Study	2,500
Zambia	Hydroelectric Privatization/Rehabilitation	Feasibility Study	60,000
Zimbabwe	Harare West Hospital	Feasibility Study	200,000
Africa Regional, total			1,123,366
Total			4,611,038

*Denotes activities where TDA authorized the use of existing funds at various multilateral banks. As such, those amounts are not reflected in the FY 1997 fund totals.
Source: U.S. Trade and Development Agency, *1997 Annual Report*, pp. 20-21.

new ventures or the expansion or modernization of existing ventures. Loan guarantees are used typically for larger projects ranging from $10 million to $200 million. Direct loans, reserved for projects involving U.S. small businesses and cooperatives, range from $2 million to $30 million. OPIC offers insurance against currency inconvertibility, expropriation, and political violence.[48] OPIC operates programs in countries with which it has an investment agreement. OPIC currently does not have agreements with two countries in Sub-Saharan Africa—Comoros and Seychelles.[49] In 1997, OPIC insured more than $160 million in new U.S. investments in Sub-Saharan Africa, including $100 million in financing to a regional investment fund.[50]

In 1997, OPIC extended support in the form of insurance to the following investment projects in Sub-Saharan Africa: Angola, for a liquid propane gas tank ($6.7 million); Ethiopia, for two road construction consulting projects ($439,245 and $475,176 respectively); Mozambique, for wheat and corn mills ($11.2 million); and Rwanda, for a tea plantation ($1.3 million).[51]

OPIC provides support to the New Africa Opportunity Fund, which was established in 1995. The Fund is a privately managed equity fund designed to encourage the development of entrepreneurship in South Africa and neighboring countries and to support the process of privatization in the region. The Fund is capitalized with private equity and supported by OPIC-guaranteed debt. With a capitalization of $120 million and managed by New Africa Advisers (NAA), a subsidiary of the Sloan Financial Group, the Fund will insure U.S. investments in South Africa and neighboring countries. The Fund is designed to focus on developing businesses to be owned or managed in the region and will operate in Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.[52] The Fund has already made its first investments in South Africa and neighboring countries, including a $5 million investment in Johannesburg-based Afinta Motor Corporation.[53]

OPIC will be asked by Congress to play a role in its new initiatives to expand U.S. investment and encourage economic growth in Africa. The pending African Growth and Opportunity Act (H.R. 1432) calls for OPIC to develop new private sector equity investment funds specifically for Africa, totaling up to $650 million. The program would include a $150 million private equity fund to invest in commercial and natural resources projects in the Sub-Saharan region, and the development of one or more additional private equity funds with a total capitalization of up to $500 million for infrastructure investment.

The Clinton Administration's initiative for Sub-Saharan Africa, the "Partnership for Economic Growth and Opportunity in Africa," includes the same provisions as the Africa Growth and Opportunity Act for OPIC funds.[54] Accordingly, on December 4, 1997, the Modern Africa Growth and Investment Company Fund was launched. A $100 million loan guarantee for the fund will be supplemented by $50 million in equity from private sources.[55] The fund will be managed by Modern Africa Fund Managers of Washington, D.C. and Johannesburg, South Africa.[56] In further implementation of the Partnership initiative, on March 28, 1998, in South Africa, President Clinton announced the intention of OPIC to provide support for one or more private equity funds with aggregate capital of up to $500 million to be invested in privately sponsored infrastructure projects in the countries of Sub-Saharan Africa.[57]

U.S. Bilateral Economic Assistance

The United States is the third largest bilateral donor to Sub-Saharan Africa, behind France and Japan. The United States is a leading bilateral donor to Ethiopia, Angola, Liberia, South Africa, and Somalia.[58] U.S. bilateral economic assistance to Sub-Saharan Africa amounted to $978 million in FY 1997 compared to $1.2 billion in FY 1996. The decline reflects a reduction in development assistance, economic support funds, food aid, and foreign disaster

48 OPIC, *Frequently Asked Questions*, found at Internet address http://www.opic.gov/SUBDOCS/faqs.htm, retrieved April 15, 1998.

49 OPIC, *The OPIC Country List*, found at Internet address http://www.opic.gov/SUBDOCS/info/ctrylist.htm, retrieved April 15, 1998.

50 OPIC, *1997 Annual Report*, p. 15.

51 Ibid.

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

53 OPIC, *1997 Annual Report*, p. 9.

54 White House, "Remarks by the President at Africa Trade Event," Press Release, Washington, D.C., June 17, 1997 and USTR, "A Comprehensive Trade and Development Policy for the Countries of Africa," December 1997.

55 "Secretary Slater and OPIC President Munoz Will Join With Congressional Leaders to Launch New $150 Million Africa Fund," found at Internet address http://www.opic.gov/subdocs/Public/PRESS/7-64.htm, retrieved April 16, 1998.

56 OPIC, *1997 Annual Report*, p. 9.

57 "President Clinton Announces $500 Million OPIC Investment Funds for Africa," March 28, 1998, found at Internet address http://www.opic.gov/subdocs/Public/PRESS/8-20.htm, retrieved April 16, 1998l.

58 U.S. Department of State, Bureau of African Affairs, "U.S. Assistance and Debt Relief in Sub-Saharan Africa," Fact Sheet, March 27, 1998, found at Internet address http://www.state.gov/www/regions/africa/fs_debtrelief_980327.html, retrieved April 24, 1998.

assistance and rehabilitation.[59] Despite the reduction in overall bilateral assistance, USAID, which is the principal conduit for long-term development assistance, has received an increase in appropriations in recent years (see next section).

U.S. humanitarian relief for Africa includes P.L. 480 food grants, and refugee and disaster assistance.[60] Military aid, Economic Support Funds and African Development Foundation projects augment this aid. In FY 1998, the United States is also providing $1 billion to the IDA of the World Bank, which consistently lends close to half of its funding to Africa on highly concessional terms.[61] In addition, numerous U.S. nongovernmental organizations assist Africa through donor countries and private sources.[62]

U.S. Agency for International Development

The U.S. Agency for International Development (USAID) implements the foreign economic assistance programs offered by the U.S. government. Issues addressed by these programs include health, education, economic growth, population, democracy, environment, and expanded efforts in crisis prevention.[63] USAID appropriations for Sub-Saharan Africa in both FY 1997 and FY 1998 were $665 million. In 1998, USAID's planned economic assistance consists of $207 million for promoting broad-based economic growth; $30 million for the Food Security Initiative; $69 million for supporting human capacity development; $267 million for promoting family planning and protecting human health; $81 million for protecting the environment; $76 million for building democracy; and $282 million for humanitarian assistance.[64]

Regional programs offered by USAID include the following: the Leland Initiative, the Greater Horn of Africa Initiative (GHAI), the Initiative for Southern Africa (ISA), and the Africa Trade and Investment Policy (ATRIP). The Leland Initiative is a five-year (1996-2001) USAID project, which seeks to bring the global information network to the people of Africa. The project emphasizes a public-private sector approach between Africa and the United States to bring full Internet capabilities to up to 20 Sub-Saharan African countries. This project focuses on creating an enabling policy environment, creating a sustainable Internet service provider industry, and enhancing user applications for sustainable development. Since the launch of the initiative in 1996, 10 countries have adopted major changes in their telecommunications approaches, resulting in price reductions for Internet access. Under the Initiative, experts have installed high-speed national Internet gateways in seven countries (Mali, Mozambique, Madagascar, Rwanda, Guinea, Côte d'Ivoire, and Benin), and a national university gateway in Ghana.[65]

The GHAI focuses on new regional capacity for crises prevention and civil society; implementing strategies and procedures to ensure the transition from crises to broad-based sustainable growth; realizing greater regional collaboration in promoting sustainable economic growth; and strengthening support for regional and national food security strategies. Under the GHAI, the United States is proposing an international recommitment and a regional initiative to break the cycle of poverty and crisis in the region. The GHAI covers Rwanda, Burundi, Somalia, Ethiopia, Eriterea, Sudan, Djibouti, Uganda, Kenya, and Tanzania.[66]

ISA is a regional approach to helping 11 countries in the southern African region (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe) achieve equitable, sustainable economic growth and democracy. The ISA complements bilateral programs in the region by addressing regional development constraints, small- and medium-scale business development, civic society and democratic governance, and agricultural and natural resource management.[67]

The ATRIP program, started in 1998, is part of the President's Partnership for Economic Growth and Opportunity. ATRIP's objective is to support African leaders who want to increase their "openness" to international trade and investment—a major ingredient in the recipe for economic progress and growth that has been demonstrated by the historical experience of other developing countries from 1965 through 1990. Under the program, U.S. support will focus primarily

[59] U.S. Department of State, Bureau of African Affairs, telephone conversation with USITC staff, April 24, 1998.

[60] See ch. 4 for additional information on USDA programs.

[61] For further details on the IDA, see previous discussion regarding the World Bank Group.

[62] U.S. Department of State, Bureau of African Affairs, "U.S. Assistance and Debt Relief in Sub-Saharan Africa," Fact Sheet, March 27, 1998, found at Internet address http://www.state.gov/www/regions/africa/fs_debtrelief_980327.html, retrieved April 24, 1998.

[63] U.S. Department of State, Bureau of African Affairs, "U.S. Assistance and Debt Relief in Sub-Saharan Africa," Fact Sheet, March 27, 1998, found at Internet address http://www.state.gov/www/regions/africa/fs_debtrelief_980327.html.

[64] Ibid.

[65] USAID, "A New Day in Africa," found at Internet address http://www.info.usaid.gov/pubs/new_day/overview.htm, retrieved April 17, 1998.

[66] USAID, "USAID Regional Activities in Africa," Dec. 23, 1997, found at Internet address http://www.info.usaid.gov/regions/afr/regact.html, retrieved April 23, 1998.

[67] Ibid.

upon public and private sector leaders who are eager to take ownership of programs of deregulation, tax reform, privatization, and the breakdown of trade barriers.

Another USAID program is the Food Security Initiative in Africa, a multiyear initiative to address the downward trend in food security, nutrition, and agriculture in Africa. During 1998, the pilot year for the project, USAID will highlight programs in Ethiopia, Uganda, Malawi, Mozambique, and Mali for the purpose of combating hunger, promoting agriculture, and improving nutrition. The Initiative is funded at $30 million for 1998.[68]

USAID is working on strengthening its partnership with other donors through coordination in a number of complementary organizations, including the World Bank Consultative Group; the United Nations Development Programme (UNDP); the Special Program of Assistance for Africa (SPA); the Global Coalition for Africa (GCA); continent-wide fora; and formal and informal coordination mechanisms at the country level. The purpose of these coordination efforts is to influence the aid policies and programs of other donors, to avoid duplication of assistance efforts, to enhance the effectiveness of U.S. aid, and to encourage policy change from African governments to undertake reforms.[69]

U.S. Generalized System of Preferences

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

The GSP program expired on July 31, 1995 and was extended retroactively through May 31, 1997, by legislation (Public Law 104-188) signed by the President on August 20, 1996.[70] On May 30, 1997, as part of a legislative package to renew the GSP program through June 30, 1998, President Clinton designated 1,783 products eligible for GSP duty-free treatment when those goods are produced in the least-developed beneficiary developing countries (LDBDC). Of the 38 designated LDBDCs, 29 are located in Sub-Saharan Africa. The President also proposed the GSP program be made permanent for the least-developed countries.[71]

There were $15.5 billion in duty-free imports entered under the GSP program in 1997, accounting for more than 13 percent of total U.S. imports. Angola, with shipments of $668.1 million in GSP-eligible imports, became the leading Sub-Saharan beneficiary of GSP in 1997.[72]

Among the proposed modifications to the GSP program in 1997 were four petitions involving South Africa. For each case, the proposals (and the respective product sector) are (1) waiver from possible noneligibility for certain inorganic carbides (chemicals); (2) addition of certain forms of unwrought gold (minerals and metals); (3) addition of certain forms of semimanufactured gold (minerals and metals); and (4) addition of off-road dump trucks.[73] The four 1997 GSP Annual Review petitions requested by South Africa were granted by the President, but the date of implementation of the GSP modifications is to be announced by the United States Trade Representative.

On July 1, 1998, the U.S. Trade Representative announced changes to the GSP program that were intended to encourage Sub-Saharan African countries to accelerate their economic integration into the global economy and to work collectively on expanding their exports. African countries that are members of the West African Economic and Monetary Union, SADC,[74] and the EAC will be permitted to

[68] USAID, "A New Day in Africa," found at Internet address http://www.info.usaid.gov/pubs/new_day/overview.htm, retrieved April 17, 1998.

[69] Information in this section is based on an electronic message received by USITC staff from USAID, dated June 16, 1998.

[70] For a summary of changes to the GSP program in 1997, see USITC, *The Year in Trade: Operation of the Trade Agreements Program (OTAP)*, 1997, pp. 5-25-5-28.

[71] USTR, "Administration Submits CBI, GSP, and Shipbuilding Legislation to Congress," Press Release 97-55, June 18, 1997.

[72] USITC, *The Year in Trade: OTAP*, 49th Report, 1997, pp. 5-27, 5-28, and 5-31. For additional details on the GSP program, see chapter 2.

[73] USITC, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences*, USITC publication 3079, December 1997, pp. A-8 and A-9.

[74] The three members of SADC that have ratified the SADC trade protocol—Botswana, Mauritius, and Tanzania—qualify for the new GSP cumulation benefit. See section on regional integration for more information on these organizations and their membership.

accumulate their value-added contributions (on GSP imports). This provision is expected to make it easier for the eligible countries to meet the 35 percent value-added requirement of the GSP rule of origin. In announcing the new GSP initiative, the U.S. Trade Representative indicated that the United States wants to support accelerated African economic integration that would expand the market size and make member states more attractive to direct investment.[75]

WTO Developments and Sub-Saharan Africa

The general lack of active participation by Sub-Saharan African countries in the Uruguay Round led observers to lament the lost opportunity to better integrate African economies into the world trading system. Observers from the IMF, World Bank, and United Nations, for example, considered that the small number of concessions offered by these countries during the negotiations would reap them minimal benefits.[76] Although Sub-Saharan African countries won fewer concessions in the Uruguay Round than other developing countries, the aforementioned multilateral institutions are now focusing on the extent to which Sub-Saharan Africa stands to gain as a result of the Round. These gains can range from facing fewer restrictions and lower tariffs overall, affecting all WTO Members, to specific market-access provisions concerning primary negotiating rights for substantial suppliers of raw materials that may benefit Africa in particular.[77]

A number of Sub-Saharan African governments have voiced interest in WTO developments, but have not actively participated due to resource constraints commensurate with their largely least- developed country status. Despite these difficulties in WTO participation, either in the Uruguay Round or in WTO affairs in Geneva and elsewhere, 92 percent of Sub-Saharan Africa nonetheless belonged to the GATT Contracting Parties prior to the establishment of the WTO, and 85 percent had taken up membership in the WTO by August 1998 (see table 3-11).

Future African Policy Strategy

During an April 1998 meeting of African trade ministers from member states of the Organization of African Unity (OAU) and African Economic Community (AEC), President Mugabe of Zimbabwe urged the meeting's participants to take the steps necessary to enable them to take full advantage of the myriad opportunities for improving Africa's trade.[78] For example, African countries have not taken full advantage of the preferences they receive under such preferential trading schemes as the United States' GSP program and the EU's Lomé Convention. One of the repeated concerns in WTO affairs cited by governments in Sub-Saharan Africa has been the concern that tariff reductions under the Uruguay Round Agreements will erode preferences granted to them under such programs. President Mugabe urged the creation and strengthening of national focal points for trade policy issues and highlighted steps taken by the OAU to strengthen its Geneva office to better serve Africa in international negotiations, particularly at the WTO.

Technical Assistance

The OAU has been taking steps to help increase the fuller participation of Sub-Saharan African countries in Geneva by expanding its presence there: in particular, by seeking observership status at the WTO. In July 1996, the WTO released guidelines pending final agreement on the organizations to be accorded observer status. Those organizations with ad hoc observer status already were confirmed in 1997, and consultations on requests for observer status from other organizations continued into 1998.[79]

In addition, several African governments are taking such advice to increase their efforts to take advantage of the WTO and other available programs

[75] USTR, "USTR Announces New GSP Initiative to Benefit African Trade and Other Developing Countries," press release 98-64, July 1, 1998.

[76] See for example Peter Harrold, *The Impact of the Uruguay Round on Africa*, World Bank Discussion Papers No. 311, Nov. 1995; Piritta Sorsa, "Sub-Saharan African Own Commitments in the Uruguay Round—Myth or Reality?," *The World Economy*, vol. 19, No. 3, May 1996, pp. 287-306; and United Nations Industrial Development Organization, "Chapter IV. Industrial Implications of Trade Liberalization," *The Globalization of Industry: Implications for Developing Countries Beyond 2000*, Vienna, Dec. 1996.

[77] Zhen Kun Wang and L. Alan Winters, *Africa's Role in Multilateral Trade Negotiations*, World Bank Economic Development Institute, Policy Research Working Paper 1846, Nov. 1997, p. 25, par. 4.

[78] WTO, Committee on Trade and Development, *Report of the First Meeting of African Ministers of Trade, Harare, Zimbabwe—Communication from Zimbabwe*, WT/COMTD/W/43, May 27, 1998, p. 43, par. 10-11.

[79] In 1997, the WTO General Council confirmed observer status for those organizations already observing on an ad hoc basis, namely, the Organization for Economic Cooperation and Development (OECD), World Intellectual Property Organization (WIPO), the United Nations (UN), UN Conference on Trade and Development (UNCTAD), UN Food and Agriculture Organization (FAO), and WTO/UNCTAD International Trade Center. The International Monetary Fund (IMF) and the World Bank were granted WTO observer status under separate cooperation agreements signed in 1997.

Table 3-11
Sub-Saharan Africa: Membership in the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO), and their accession dates

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

* WTO Working Party on Accession in progress.

to improve Africa's trade performance. Botswana, for example, even though unable to send representatives to all WTO meetings, tries to remain engaged in those areas considered most relevant to the country's interests.[80] Others, such as Madagascar, are aiming to take advantage of programs sponsored by the WTO and the United Nations Development Program to help the developing countries acclimate themselves to the rigors of freer trade.[81]

The WTO has encouraged growth and diversification of Africa's international trade through a number of meetings and programs. The Integrated Technical Assistance Programme for Selected Least-Developed and Other African Countries was adopted at the WTO in May 1996, the Preparatory Meeting for the Least-Developed Countries for the WTO Singapore Ministerial Conference was held in November 1996, the Comprehensive and Integrated Plan of Action for Least-Developed Countries resulted from the December 1996 Conference, and the High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development was held in October 1997. In 1997, a 3-year technical cooperation program was launched in the WTO to help coordinate these operations, covering 1997 to 1999, and was carried out largely by the WTO Technical Cooperation and Training Division.[82]

In 1998, funds and programs were added. In May 1998, Switzerland granted nearly $1.0 million to help finance the 1997 technical cooperation program. This program devotes resources primarily to the least-developed countries to help them overcome difficulties in implementing the Uruguay Round Agreements, and to promote their integration into the world trading system. The funds from this program, for example, help finance the necessary legal expertise for establishing national legislation in specific WTO areas, particularly regarding customs evaluation, technical barriers to trade, and sanitary and phytosanitary measures.[83] In June 1998, the Netherlands announced a new WTO program to begin in September 1998, intended to provide "hands-on" training at the WTO for trainees from developing countries.[84]

Variations in African Tariff Schedules

Difficulties in maintaining a transparent trade regime are evident in reviewing the tariff data for Sub-Saharan African countries available through the WTO. Although 41 Sub-Saharan African countries were WTO Members at the end of 1997, only 15 (Benin, ROC, Ghana, Kenya, Mauritania, Mauritius, Namibia, Niger, Nigeria, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe) appear to have filed national schedules of concessions and commitments under the Marrakesh Protocol to record obligations negotiated during the Uruguay Round.

Of these 15 schedules, 9 were available in hardcopy and electronic form, but 4 (Benin, ROC, Mauritius, and Niger) were not available in electronic format[85] as requested by the WTO. Nigeria and Zimbabwe supplied electronic schedules but not the official hardcopy. With only a third of Sub-Saharan WTO Members having schedules of tariff concessions on file, conducting trade negotiations becomes much more difficult.

The Integrated Data Base (IDB) at the WTO provides additional coverage of tariff data for Sub-Saharan Africa. The IDB performs a variety of menu-driven tariff calculations involving selected countries, country groups, and products. A total of 20 countries in Sub-Saharan Africa are covered in the IDB, although 5 of the 13 Sub-Saharan African countries with published hardcopy schedules are not included in the IDB. Moreover, the tariff schedules contained in the IDB are versions obtained from various sources: national customs administrations, copies submitted during the WTO Trade Policy Review Mechanism (TPRM), and versions obtained from the United Nations.

Of the 13 IDB hardcopy schedules, all listed some duty rates as being bound or ceiling duty rates and many listed duty rates exclusively under the bound

[80] U.S. Department of State, "4th Annual USITC Report on US-Africa Trade," American Embassy, Gabronne, June 18, 1998, message reference No. 2993.

[81] U.S. Department of State, "Madagascar: 4th Annual USITC Report on U.S.-Africa Trade," American Embassy, Antananarivo, June 10, 1998, message reference No. 2931.

[82] For details, see USITC, *U.S.-Africa Trade Flows*, third report, Oct. 1997, ch. 3.

[83] WTO, "Switzerland increases funding for WTO technical cooperation activities," PRESS/100, May 18, 1998. Switzerland has also made additional contributions for training courses for officials from Central and Eastern European or from Central Asian countries applying to accede to the WTO.

[84] WTO, "The Netherlands launch new 'hands-on WTO work' training programme," PRESS/102, June 19, 1998. The Netherlands has launched several technical assistance initiatives in the WTO in the last several years. See USITC, *U.S.-Africa Trade Flows*, third report, Oct. 1997, chapter 3. Also in June 1998, the WTO signed a sponsorship agreement with the Joint Vienna Institute, which is a training facility for officials from transition economies and developing countries, originally founded by the IMF, World Bank, OECD, European Bank for Reconstruction and Development, and Bank for International Settlements. It offers courses on economic and financial management, particularly applied economic policy. WTO, "WTO signs agreement with the Joint Vienna Institute," PRESS/103, June 23, 1998.

[85] Lotus 1-2-3 spreadsheet files.

column. However, most bound rates were higher than the column 3 base rate (e.g., a base rate of 100 percent and a bound rate of 120 percent), allowing future increases to the bound level. Regional affiliations may play a role, where members of an organization like SADC or COMESA often have listed their duty rates exclusively under the bound column. East African countries tend to list very high rates or show very few tariff lines, while SACU members like South Africa and Swaziland list bound rates that vary greatly from the duty rates in the base rate column. While the addition of more tariff bindings is beneficial, it means fewer actual cuts in applied rates may be occurring.

Summary of Uruguay Round Negotiations and Sub-Saharan Africa

Although debt crises in Africa and Latin America threatened the new trade round in the early 1980s, trade ministers met in September 1986 to open the Uruguay Round of multilateral trade negotiations.[86] However, African countries were late in setting forth their interests, which focused mainly on different issues involving primary products—agriculture, commodities, food, natural resource-based products, and tropical products. As a consequence, pronouncements on these matters from the Trade Negotiations Committee overseeing the Round acknowledged a common concern with “disequilibria” in world trade but never reached agreement as to whether this resulted more from national actions or international ones.[87] Nonetheless, the Punta del Este Declaration inaugurating the Round called for reducing or eliminating tariff and non tariff measures, on processed and semiprocessed natural resource-based products.

This objective sought to help a large number of developing countries, including African countries that depended on exports of ores, minerals, and nonferrous metals for more than half their export earnings. Cameroon, Côte d’Ivoire, Senegal, and the former Zaire (DROC) were vocal in stressing national sovereignty over their natural resources and the need for special and differential treatment for developing countries, as well as a goal of “stable, equitable, and remunerative prices.”[88]

The reduction of tariffs on tropical goods presented some problems. The United States, for example, was unwilling to negotiate tropical products in isolation from overall agriculture talks. The EU, however, sought to defend its common agricultural policy against other developed countries while trying to maintain preferential tariff access to its market under the Lomé Convention for tropical products from developing countries that were former European colonies—the African, Caribbean, and Pacific (ACP) countries.[89] The “net food-importing countries,” another set of developing countries that relies heavily on grain imports (many of which are African), sought to defend its preferential access to European markets, which they viewed as imperiled because of U.S. and EU dominance in negotiating the Agriculture Agreement.[90]

Another area of interest to African governments during the Round centered on the trade issues of preshipment inspection (PSI) and customs valuation. In 1984, the EU began raising objections about Nigerian PSI practices. During Uruguay Round negotiations in 1989, the former Zaire and other countries that used PSI defended the practice as serving important and legitimate interests of developing countries. By 1990, developing countries accepted the idea of multilateral rules on PSI, provided that the new rules would also safeguard the right of developing countries to use PSI.[91] Also in 1990, Kenya floated a proposal regarding customs valuation on behalf of a large number of East African countries of the Preferential Trade Area (PTA), so that developing-country customs authorities would have a permanent right to set minimum values and to add on to transaction values discounts channeled to some importing agents and distributors.[92]

As the Round reached a stage of tough negotiations in December 1991, 21 ACP countries sought to amend the Agriculture Agreement so as to preserve their preferential advantage in EU markets, but to no avail.[93] Near the end of the Round, developing countries’ assessments—particularly those of the least-developed and net-food importing countries—expressed disappointment and pessimism that they were likely to face higher food costs, and that their margins of preference in European and American markets were likely to be eroded.[94]

Post-Uruguay Round Negotiations

The least-developed and net food-importing countries have generally indicated that they see little advantage to be gained from the services agreement

[86] John Croome, *Reshaping the World Trading System—A History of the Uruguay Round* (WTO: Geneva, 1995).
[87] Ibid., p. 35.
[88] Ibid., pp. 53-55.
[89] Ibid., p. 59.
[90] Ibid., p. 113.
[91] Ibid., pp. 190-191.
[92] Ibid., p. 215.
[93] Ibid., p. 337.
[94] Ibid., p. 371.

(GATS).[95] The GATS contained a number of unfinished negotiations that were ongoing, following the conclusion of the Uruguay Round.

Financial Services

GATS financial services negotiations concluded December 13, 1997, although an interim agreement was reached in July 1995. These financial services talks covered the banking, securities, and insurance subsectors, seeking commitments in major areas such as the right of establishment and ownership rights for foreign firms, market access commitments, as well as commitments regarding information transfer and rights already acquired by foreign firms in African markets. African governments making commitments in these areas varied, but participants included Ghana, Kenya, Mauritius, Nigeria, Senegal, and South Africa. Mauritius participated actively, making commitments in virtually every category, while Benin made a commitment only in the category regarding acquired rights for foreign banks.[96]

Basic Telecommunications

GATS agreement on basic telecommunications concluded on December 15, 1996, with negotiations regarding commitments continuing until February 1997. These talks covered major areas involving (1) foreign investment to permit foreign ownership or control of all telecommunications services and facilities; (2) regulatory principles to guarantee procompetitive principles; (3) international services and facilities to guarantee market access to international telecommunications services and facilities; and (4) satellite services and facilities to guarantee market access for domestic and international satellite services and facilities. African governments making commitments in these areas varied, but participants included Côte d'Ivoire, Ghana, Mauritius, Senegal, and South Africa. Côte d'Ivoire, Ghana, and Mauritius made commitments in all categories, although often for only select services or commitments in the future (2004 or after).[97]

Maritime Transport Services

Of the original 33 participants in the Negotiating Group on Trade in Maritime Transport Services (NGMTS) during the Uruguay Round, none were African governments.[98] Nonetheless, given the importance of the maritime industries to their countries, the 25-member Ministerial Conference on West and Central African States played an active role along with others regarding the negotiating group's discussion of applying the most-favored-nation (MFN) principle to maritime transport services. The MFN principle carries with it implications for existing bilateral and multilateral agreements, such as the UN Code of Conduct for Liner Conferences.[99] More recently, Cameroon liberalized its auxiliary maritime and port authority services, including maritime transportation, to conform to guidelines developed during these negotiations. Charges and contributions for international maritime traffic and freight handling, such as loading and unloading of cargo sharing operations received by the Cameroon National Shippers' Council, were abolished at the beginning of 1998. Maritime transport is now open to any transporter registered under Cameroonian or foreign law serving Cameroonian ports.[100]

Other Recent WTO Participation

A WTO Symposium on Trade Facilitation was held in Geneva, March 9-10, 1998, for representatives from a number of international organizations—such as the IMF, World Bank, and UN—to discuss with some of the world's leading corporations the practical problems that traders face when moving goods across borders. Among the representatives from both the developed and developing countries were the Zimbabwe National Chamber of Commerce, discussing import/export procedures and requirements, as well as the Bank of Botswana, discussing exchange

[95] Ibid., p. 371.

[96] White House, "Statement by Secretary Rubin and Ambassador Barshefsky regarding the successful conclusion of WTO financial services negotiations," press release, Dec. 13, 1997.

[97] USTR, "Statement of Ambassador Barshefsky—Basic Telecom Negotiations—February 15, 1997," press release, Feb. 15, 1997, found at Internet address http://www.ustr.gov/agreements/telecom/barshefsky.html, downloaded Feb. 18, 1997.

[98] Participants in the NGMTS at the Dec. 1993 close of the Uruguay Round were Argentina, Canada, the EC-12 as well as its member states, Finland, Hong Kong, Iceland, Indonesia, Korea, Malaysia, Mexico, New Zealand, Norway, Philippines, Poland, Romania, Singapore, Sweden, Switzerland, Thailand, Turkey, and the United States. WTO, "Decision on Negotiations on Maritime Transport Services," p. 412; at U.S. Congress, *Uruguay Round Trade Agreements, Texts of Agreements, Implementing Bill, Statement of Administrative Action, and Required Supporting Statements*, 103d Cong., 2d sess., 1994, H. Doc. 103-316, vol. 1, Sep. 27, 1994 (Washington, DC: GPO, 1994), p. 1704.

[99] Terence P. Stewart (ed.), *The GATT Uruguay Round—A Negotiating History (1986-1992)*, vol. II: Commentary, (Kluwer: Boston), 1993, p. 2409; GATT, *News of the Uruguay Round*, NUR 041, Oct. 9, 1990, pp. 13-14.

[100] U.S. Department of State, "Report on US-Cameroon Trade," American Embassy, Yaounde, June 17, 1998, message reference No. 3961.

control and other payments formalities and their problems.[101]

Intellectual Property Rights

Although not active in the Uruguay Round negotiations on trade-related aspects of intellectual property rights (TRIPS), a large number of Sub-Saharan Africa countries belong to major international agreements concerning different aspects of intellectual property. Sub-Saharan Africa shows widespread interest in agreements providing intellectual property protection for literary works and industrial property, but weak interest in agreements protecting performers and broadcasting, integrated circuits, and copyrights.

Berne Convention for the Protection of Literary and Artistic Works

The Berne Convention was first signed in 1886 and last revised in 1971. As of 1995, African signatories include Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, DROC, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Namibia, Niger, Nigeria, ROC, Rwanda, Senegal, South Africa, Tanzania, Togo, Zambia, and Zimbabwe. These 32 signatories account for two-thirds (67 percent) of the 48 Sub-Saharan African countries, and represent nearly 30 percent of the 109 signatories to the Berne Convention.

Paris Convention for the Protection of Industrial Property

The Paris Convention was first signed in 1883 and last revised in 1967. As of 1995, African signatories include Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Côte d'Ivoire, DROC, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Niger, ROC, Rwanda, Senegal, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, and Zimbabwe. These 33 signatories account for more than over two-thirds (69 percent) of Sub-Saharan Africa and represent nearly 27 percent of the 124 signatories to the Paris Convention.

International Convention for the Protection of Performers, Producers of Phongrams and Broadcasting Organizations

The so-called Rome Convention was signed in Rome in 1961. As of 1995, African signatories include Burkina Faso, Lesotho, Niger, Nigeria, and ROC. These 5 signatories account for roughly a tenth of countries in Sub-Saharan Africa and represent 9 percent of the 58 signatories to the Rome Convention.

Treaty on Intellectual Property in Respect of Integrated Circuits

The treaty on integrated circuits was adopted in Washington, DC in 1989. As of April 1996, African signatories include Ghana, Liberia, and Zambia. These 3 signatories account for only 6 percent of Sub-Saharan Africa but represent more than a third of the 8 signatories to the Integrated Circuits Treaty.

International Copyright Convention

The International Copyright Convention was adopted by UNESCO in 1952, and signed in 1971 in Paris. As of 1995, African signatories include Cameroon, Guinea, Kenya, Niger, Rwanda, Senegal, and the Seychelles. These 7 signatories account for 15 percent of Sub-Saharan Africa and represent about 11 percent of the 61 signatories to the International Copyright Convention.

[101] WTO, "Major companies to participate in WTO trade facilitation symposium," PRESS/93, Mar. 3, 1998.

CHAPTER 4
Trade and Economic Policies Affecting U.S.-Sub-Saharan Africa Trade and Investment in Major Sectors

This chapter highlights developments during 1997-98 with respect to implementation of the Uruguay Round Agreements (URA) and other economic and trade policies likely to specifically affect U.S.-Sub-Saharan Africa trade and investment in major sectors. Each sector summary provides information, to the extent available, on (1) changes in tariff and nontariff barriers in the United States and in major sector trading partners, (2) economic and trade policy developments in the United States, including the level of trade entering under the Generalized System of Preferences (GSP) program, (3) economic and trade policy developments in major sector trading partners, and (4) developments in multilateral lending to major sector trading partners.

As observed in the third Commission report on U.S.-Africa trade flows,[1] many countries in Sub-Saharan Africa continue to implement sector-specific policy reforms, such as easing or lifting price and trade controls, privatizing state-owned enterprises, and implementing economy-wide reforms, such as strengthening business codes, liberalizing foreign-investment regulations, and easing foreign-exchange controls. Improvements to regional infrastructure also continued, assisted through multilateral lending and investment-guarantee programs. These developments tend to promote U.S.-Sub-Saharan Africa trade and investment flows.

During 1996-97, major sectors in which U.S. trade with Sub-Saharan Africa experienced the greatest growth, in absolute terms, were exports of machinery and imports of energy-related and chemical products. U.S. exports of machinery grew by $52.3 million (6.9 percent) in 1997, reflecting increased exports of farm and garden machinery (specifically tractors and implements used by peasant farmers, and irrigation equipment for large commercial farms) and electrical machinery for infrastructure projects. Imports of energy products grew by $320.5 million (3.0 percent) as the United States continued to rely on foreign sources to meet its domestic energy needs. U.S. imports of chemical products grew by $310.3 million (59.0 percent), primarily because of maintenance problems at petrochemical plants in Nigeria that caused certain chemicals to be diverted from domestic use to the international market. Sectors in which trade declined the most during 1997 were exports of agricultural and minerals/metals products. U.S. exports of agricultural products to the region declined by $136.0 million (15.3 percent), primarily because of lower grain prices and reductions in U.S. export-promotion and food-assistance programs in 1997; exports of minerals and metals products declined by $30.5 million (10.8 percent), largely as a result of economic problems that reduced industrial output in Nigeria and lowered demand for imported goods.

[1] U.S. International Trade Commission (USITC), *U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, USITC publication 3067, Oct. 1997.

Agricultural Products[2]

Overview

U.S. exports of agricultural products to the Sub-Saharan Africa region amounted to $755.9 million in 1997, a decline of $136.0 million (15.3 percent), while imports registered a $56.9 million (6.6 percent) increase to $915.1 million. The U.S. trade balance fell to a deficit $159.2 million from a surplus of $33.8 million in 1996.

Major agricultural export markets in the region were South Africa, Nigeria, and Ghana as shown below:

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

1997 leading export markets	Million dollars	Percentage of total
South Africa	229.4	30.4
Nigeria	114.4	15.1
Ghana	53.4	7.1
Kenya	31.9	4.2
Angola	27.9	3.7
Others	298.9	39.5
Total	755.9	100.0

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

Grain, milled grain, and vegetable oils and fats accounted for 63 percent of the agricultural exports to the region. Exports of poultry, and peas, lentils, and dry beans are also leading exports to the Sub-Saharan African region:

South Africa	229.4	30.4
1997 leading sector exports	**Million dollars**	**Percentage of total**
Grain (wheat, rice and corn	367.7	48.6
Vegetable oils and fats	56.2	7.4
Milled grain (flour) ..	50.8	6.7
Poultry	49.2	6.5
Cigarettes	36.0	4.8
Dried vegetables (peas, beans)	26.5	3.5
Others	169.3	22.43
Total	755.9	100.0

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

A significant portion of such exports benefits from U.S. export promotion and food assistance programs. Lower grain prices in 1997 and reduced U.S. export assistance (discussed below) contributed to the export drop to the region. The decline in U.S. exports of agricultural products to the region occurred as U.S. grain exports (mostly wheat, rice, and corn) declined by $191.9 million (34.3 percent) from 1996, and exports of vegetable oils and fats declined by $8.1 million (12.6 percent). The decline was partially offset by U.S. exports of poultry, which rose by $21.1 million (75.0 percent).

The leading U.S. agricultural import suppliers in the Sub-Saharan Africa region were Côte d'Ivoire, South Africa, and Malawi as shown at the top of the next column:

1997 leading import sources	Million dollars	Percentage of total
Côte d'Ivoire	226.7	24.8
South Africa	149.8	16.4
Malawi	89.0	9.7
Ethiopia	65.2	7.1
Kenya	56.7	6.2
Others	327.6	35.8
Total	915.1	100.0

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

Sub-Saharan African countries supply chiefly tropical products, such as cocoa products, coffee and tea, natural gums and resins, and vanilla beans. Together, these products supplied 52.2 percent of U.S. agricultural imports from the region in 1997, as shown in the following tabulation:

1997 leading sector imports	Million dollars	Percentage of total
Cocoa beans and cocoa products	227.4	24.8
Coffee and tea	185.4	20.3
Tobacco	106.8	11.7
Sugar	91.1	10.0
Frozen fish	74.4	8.1
Natural gums, resins, and vanilla beans ..	64.8	7.1
Others	165.3	18.1
Total	915.1	100.0

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

Although subject to U.S. tariff-rate quotas, sugar and tobacco (21.7 percent of total imports) are also major sector imports from the region. Imports of frozen fish, particularly tuna and fish fillets, have been rising in importance over the past several years, and supplied 8.1 percent of 1997 sector imports.

U.S. imports of coffee and tea rose by $94.9 million (104.8 percent); and tobacco imports from the region rose by $38.0 million (55.2 percent). The U.S. market for leaf tobacco continued to be strong in 1997, and Malawi, the leading African exporter, had a record high tobacco crop in 1997 and abundant supplies for export to the United States.[3] In 1997,

[3] Malawi exported about 95 percent of its tobacco production, with about 22 percent of its exports sold to the United States in the most recent year. See U.S. Department of Agriculture (USDA), Foreign Agriculture Service (FAS), "Malawi - Tobacco Update," prepared by U.S. Embassy, Nairobi, Nov. 21, 1997, pp. 1 and 25.

world coffee prices rose by 59 percent, contributing heavily to the increased value of coffee imports from the region.[4]

In 1997, U.S. agricultural import increases above 1996 levels were supplied as follows: $41.8 million, or 178.5 percent, from Ethiopia; $28.1 million, or 46.2 percent, from Malawi; and $21.5 million, or 137.5 percent, from Uganda.

Food security concerns of the Sub-Saharan African countries retained a prominent role in U.S. trade and multilateral relationships with that region in 1997. Over the past several years, more than half of U.S. agricultural exports to the region received U.S. Government assistance.[5]

WTO Developments Affecting Sector Trade and Development

Tariff Changes

The share of dutiable U.S. imports of agricultural products from the Sub-Saharan Africa region rose from 14.3 percent to 16.1 percent during 1996-97, owing largely to a rise in imports of tobacco products which are mostly dutiable. About 76 percent of the $11.5 million in duties collected on U.S. imports of agricultural products from the region in 1997 were levied on tobacco products. Similarly, the U.S. average trade-weighted tariff (ATWT) for imports of agricultural products from the Sub-Saharan African region was 7.8 percent *ad valorem* equivalent (AVE) in 1997, down from 8.9 percent AVE in the previous year. The ATWT applied to leading suppliers of U.S. agricultural imports from the region in 1997 is shown below:

1997 leading import suppliers	ATWT (percent)
Côte d'Ivoire	1.9
South Africa	4.4
Malawi	10.8
Ethiopia	1.5
Kenya	3.2
Average, Sub-Saharan Africa	7.8

Among the important market countries in the region, South Africa and Nigeria continued to reduce import barriers in 1997. South Africa met the requirements of the WTO pertaining to agriculture in 1996, by eliminating its agricultural marketing boards and controls, and completed this process in 1997 with all import and export functions taken over by the private sector with minimal government intervention.[6] Import quotas on corn were replaced with tariffs, and a zero rate of duty applied by late 1996. However, South African corn exports are still subject to quantitative limits.[7] In addition, the South African Government imposed tariffs to protect local producers on wine, wheat, and poultry.[8] Import permits continue to be required for most foodstuffs prior to the date of shipment to South Africa.

Since May 1996, the South African Government has liberalized agricultural exports with the Agricultural Products Marketing Act, removing the Ministry of Agriculture's control over exports.[9] The free market for exports of agricultural products became fully effective in January 1998.

Nigeria, another major import market for U.S. agricultural products, lifted import bans on poultry and eggs, barley and barley malt; and beer and mineral waters, and replaced them with high tariffs.[10] However, in 1997 Nigeria still imposed a ban on corn imports, a 50-percent duty on rice, and a 10-percent duty on wheat. Offsetting these duties, was a 25-percent duty rebate, making the effective duty on wheat imports 7.5 percent.[11] As part of the revision of its tariffs, Nigeria eliminated all excise duties in January 1998; it also eliminated the preshipment inspection (PSI) requirement for all African countries and 15 other major trading partners, but excluded the United States, thus continuing a significant barrier to U.S. exports.[12]

Other Trade Policy Developments

In 1997, the United States adjusted its tariff-rate quotas for imports of tobacco and sugar, the third and fourth leading agricultural imports from the region. Quota allocations for sugar during fiscal years 1996 and 1997[13] were held by Congo (Brazzaville), Côte

[4] The average New York spot price for coffee beans rose by 59 percent from $1.29 in 1996 to $2.05 per pound in 1997. USDA, *Agricultural Outlook*, May 1998, table 24.

[5] For additional background information on food security issues, see chapter 3.

[6] USDA, "Agriculture Situation, South Africa," prepared by U.S. Embassy, Pretoria, Sept. 30, 1997, p. 2.

[7] Office of the U.S. Trade Representative (USTR), "South Africa," *1998 National Trade Estimate Report on Foreign Trade Barriers*, p. 359.

[8] Ibid., p. 359.

[9] USDA, "Agricultural Situation, South Africa," p. 13.

[10] USDA, "Market Development Reports," prepared by U.S. Embassy, Lagos, Jan. 8, 1998, p. 1; and USTR, "Nigeria," *1998 National Trade Estimate Report on Foreign Trade Barriers*, p. 301.

[11] USDA, "Market Development Reports," p. 5.

[12] USTR, op.cit., "Nigeria," p. 301.

[13] Quotas are allocated on an Oct.1 - Sept. 30 basis.

d'Ivoire, Gabon, Madagascar, Malawi, Mauritius, Mozambique, South Africa, Swaziland, and Zimbabwe.[14] Allocations for these countries during FY 1997 totaled 202,437 metric tons (mt), raw value, or about 10 percent of the global allocation.[15] The largest allocations were held by South Africa (21 percent of the Sub-Saharan African total), Swaziland (14 percent), and Mozambique (12 percent). The regional allocation in FY 1997 was reduced by 18,331 mt, 8 percent lower than the 220,768 mt permitted in FY 1996. However, actual sugar imports from the region increased by 15,480 mt (8 percent) from the 209,525 mt in FY 1997 as some of the countries did not fill their allocated quotas.[16]

The U.S. tariff-rate quota on imports of leaf tobacco to be used in cigarettes amounted to 151,200 mt from September 1997 to September 1998, about the same level as the previous quota year. Above-quota imports were subject in 1997-98 to duties exceeding 350-percent AVE. Zimbabwe and Malawi were each allotted 12,000 mt of leaf tobacco to be entered at the lower tariff rates (that ranged from free to $1.05 per kilogram for the nine HTS subheadings). U.S. imports for consumption of leaf tobacco from Malawi amounted to 22,921 mt in 1997.[17]

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

U.S. Policies

There are numerous programs administered by USDA to facilitate U.S. agricultural exports that affect agricultural trade and investment between the United States and Sub-Saharan Africa. Other programs affecting such trade and investment include food assistance programs operated both by USDA and USAID, and loan guarantees of the Overseas Private Investment Corporation (OPIC).

Generalized System of Preferences

More than half of the $151.7 million of the GSP benefits for agricultural products accrued in 1997 were to three countries in the region: Malawi, South Africa, and Swaziland. GSP sector imports from the region rose in 1997 to levels 23.2 percent above the $123.1 million imported in 1996. In mid-1997, provisions of the GSP system were liberalized for LDBDCs, including Malawi and Tanzania, which supplied $25.9 million of tobacco under these new provisions in 1997. Malawi sent $25.0 million in GSP-eligible tobacco in 1997, as compared to none during 1993-96. U.S. imports of agricultural products under the GSP from the leading Sub-Saharan Africa countries in 1997 are shown below:

1997 leading GSP imports sources	Million dollars	Percentage of total
Malawi	29.2	19.3
South Africa	28.8	19.0
Swaziland	21.8	14.4
Mozambique	16.1	10.6
Mauritius	15.8	10.4
Others	39.9	26.3
Total	151.7	100.0

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

GSP agricultural imports in 1997 from Malawi rose by $21.6 million (284.3 percent) and from Swaziland by $14.0 million (178.1 percent) from the 1996 level, while imports of these products from South Africa dropped by $20.8 million (42.0 percent).

Sugar was, by far, the dominant agricultural item imported under the GSP program from Sub-Saharan Africa in 1997, accounting for 59.2 percent ($89.7 million) of the regional total. Other leading GSP commodities were tobacco ($25.9 million or 17.1 percent), hides, skins, and leather ($9.5 million or 6.3 percent), and cocoa products ($7.1 million or 4.7 percent). The 1997 share of total U.S. agricultural imports from the region that entered under GSP provisions was 16.6 percent, as compared with 14.3 percent in 1996.

Export programs

A substantial portion of U.S. agricultural exports to the region has received U.S. Government assistance. USDA agricultural export programs include the General Sales Management (GSM-102)[18]

[14] USDA, Economic Research Service (ERS), *Sugar and Sweeteners*, May 1998, p. 37. See also USTR, "USTR Announces Allocation of the 200,000 Metric Ton Increase in the Amount Available under the Raw Cane Sugar Tariff-Rate Quota," press release 98-25, Mar. 12, 1998, retrieved June 3, 1998, found at Internet address http://www.ustr.gov/releases.

[15] Allocations are for raw cane sugar. USDA, ERS, *Sugar and Sweeteners*, p. 37.

[16] According to official statistics of the USDA.

[17] Of this amount, 13,281 mt were subject to the TRQ rate in 1997. The remaining 9,640 mt of leaf tobacco were not used in cigarettes and were thus not subject to the TRQ.

[18] The GSM-102 program provides short-term credit guarantees for financing terms of up to 3 years. Longer term credit guarantees (3-10 years) are provided by the GSM-103 program. No U.S. exports of agricultural products to Sub-Saharan Africa were made under GSM-103 in FY 1997.

export-guarantee program, the Export Enhancement Program (EEP), and Dairy Export Enhancement Program (DEIP). No exports occurred under the EEP to any country of the world during FY 1997.[19]

U.S. exports of agricultural products to Sub-Saharan Africa made under the GSM-102 program in FY 1997 totaled $18 million, about half the level in FY 1996.[20] The principal commodities exported under this program included soybeans, grain (corn, wheat, and rice), and poultry meat.

Bonus awards (the amount of funds applied to exports) under the DEIP during FY 1997 totaled $2 million;[21] the leading dairy commodity exported to the region under the DEIP was nonfat dry milk, with smaller quantities of whole milk powder, butter, and anhydrous milkfat. Generally, Sub-Saharan Africa has accounted for a relatively small share of total worldwide DEIP bonus awards (less than 2 percent in most years).

Market development programs[22]

The USDA Market Access Program (MAP) funding in Sub-Saharan Africa totaled $0.84 million in FY 1997, and the Foreign Market Development (FMD) program, $1.5 million. As in previous years, South Africa was the major beneficiary of U.S. agricultural market-development programs in Sub-Saharan Africa during FY 1997, accounting for 90 percent of MAP spending and 61 percent of FMD spending. This reflected South Africa's relatively high regional income level and large consumer market for higher priced, value-added, agricultural products. Within the region, the USDA Emerging Markets Program (EMP) spent $0.5 million chiefly in South Africa in 1997,[23] a focus also consistent with its large market potential.

USDA International Cooperation and Development programs in the region entailed collaborative research grants, scientific exchanges, and Cochrane fellowships (allowing for agricultural education and research study). In FY 1997, these funds totaled slightly above $0.2 million in the region, with about half expended in South Africa, and a quarter each in Kenya and Côte d'Ivoire.

Food assistance

U.S. food assistance under Titles I, II, and III of the Food for Peace Program (Public Law 480)[24] to Sub-Saharan African countries totaled $389 million in FY 1997;[25] this was 15 percent below the FY 1996 level of $456 million. Sub-Saharan Africa accounted for 36 percent of the $1.1 billion of U.S. food assistance to all countries of the world under these programs in FY 1997, down from the 38-percent regional share in FY 1996. More than half of this food aid went to five countries in FY 1997: Rwanda (18 percent of the total aid to the region), Ethiopia (13 percent), Angola (11 percent), Mozambique (7 percent), and Uganda (7 percent). Principal commodities donated were grains and milled grains (wheat, rice, and corn), pulses (dry beans, peas, and lentils), and vegetable oil. Food donations under Title II accounted for 87 percent of total food assistance in FY 1997 to the region, followed by Title III (7 percent) and Title I (5 percent). Angola, Côte d'Ivoire, and Congo (Brazzaville) were the recipients under Title I; 26 countries in the region were recipients under Title II; and Ethiopia, Eritrea, and Mozambique, were the three recipients under Title III.

Bilateral lending

Bilateral lending activities through OPIC in 1997 affected investment in agricultural products. OPIC approved political risk insurance for two agricultural projects in the region. These were repayment guarantees for an $11.2 million investment of Seaboard Overseas Limited in wheat and corn mills in Mozambique, and for a $1.2 million investment in a tea plantation by C&W Trading in Rwanda.[26]

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[19] USDA, Office of Chief Economist, *USDA Agricultural Baseline Projections to 2007*, p. 33. There were also no EEP bonus awards for agricultural product exports to Sub-Saharan African in FY 1996.

[20] Data of the USDA, FAS, July 20, 1998, received by facsimile.

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

[22] Ibid.

[23] The EMP, MAP, and FMD programs are authorized under the Federal Agriculture Improvement and Reform Act of 1996. The purpose of the EMP is to establish or provide facilities, services, or U.S. products to improve handling and distribution of U.S. agricultural exports in a foreign country that is deemed to be an "emerging market" for these exports.

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

[25] Data provided by USDA, ERS by facsimile, June 11, 1998.

[26] Richard Barovick, "It's Getting Easier to Finance Africa Sales," *Journal of Commerce*, May 26, 1998, retrieved from http://www.joc.com/issues/980526, on June 10, 1998, p. 2.

Policy Developments in Sub-Saharan Africa

Food security continues to be an important policy concern for most countries in Sub-Saharan Africa, a region characterized by the USDA as the most vulnerable area in the world with respect to food security.[27] In the region's 37 countries monitored by USDA, per-capita food consumption is projected to decline, in the absence of additional food aid, by 0.4 percent annually over the next decade. Caloric intake in the region during 1997 was the lowest anywhere in the world, and any decline from this low level would likely have severe implications for the health of the people of the region.[28] "Status quo" food aid needs[29] in Sub-Saharan Africa are likely to reach 3.7 million metric tons (mmt) in 1997-98, despite a rise in grain production in the region. Tanzania, Uganda, and Rwanda have the largest gaps between available food supplies and base consumption levels. The principal factor contributing to the food gap in Sub-Saharan Africa is high population growth (a projected 2.4 percent annual rate of increase over the next decade in the region, compared to 2.0 percent in the world).[30] In addition, slower growth in domestic grain production and inadequate reserves of foreign exchange needed to purchase commercial grain will likely result in continued declines in per-capita grain supply for the region. In 1997-98 adverse weather conditions affected grain production in Sub-Saharan Africa. Corn production fell in Somalia and elsewhere in Eastern Africa, following months of heavy rains in November 1997 and January 1998. In addition, the heavy rains caused a large loss of livestock and an outbreak of human diseases because of the resulting excessive mosquitoes.[31]

South Africa has a sizable 2.6 mmt inventory of white and yellow corn carried over from its large 1996-97 crop,[32] which may be available for export to neighboring countries of southern Africa.[33] Because of South Africa's market liberalization noted previously, the corn can be more freely exported. Moreover, improvement of transportation infrastructure in the southern region between South Africa and neighboring countries will likely reduce the cost of moving grain to adjacent food deficit countries.[34] Warnings about potential adverse weather effects allowed farmers in South Africa in 1997-98 to diversify their crop mix, and in Zimbabwe, allowed the Grain Marketing Board to set aside a grain reserve of 5 months of consumption. Moreover, timely rains in South Africa in the first quarter of 1998 were much better than had been expected, so that the 1997-98 crops (particularly corn) are likely to be larger than expected (although the corn crop is likely to be 23 percent lower than in 1996-97).[35]

In 1997, many Sub-Saharan Africa countries changed policy measures that affected agricultural trade, but the following discussion focuses on the most noteworthy policy developments in three leading U.S. agricultural trade partners in Sub-Saharan Africa: South Africa, Nigeria, and the Côte d'Ivoire. South Africa and Nigeria were the two largest markets for U.S. agricultural exports in the region in 1997, while Côte d'Ivoire and South Africa were the largest suppliers of agricultural products to the United States.

South Africa

South Africa's agricultural self-sufficiency policy has been mostly eliminated, and agricultural exporters are free to export under the Agricultural Products Marketing Act, which removed the Ministry of Agriculture's control over agricultural exports.[36] Similarly, the removal of the marketing boards also opened up the market to imports, particularly corn and wheat.[37] The South African market for agricultural products is large, and imports supply a sizable portion of these products. For example, in 1996, South Africa imported about $3.0 billion of agricultural products, including sizable amounts of wheat, corn, rice, oilseeds and oilseed meals, and beef and other meat.[38]

However, larger corn imports reduced prices received by South African corn farmers (particularly yellow corn growers in the coastal areas), contributing

[27] USDA, ERS, *Food Security Assessment*, November 1997, p. 3.
[28] Ibid., p. 12.
[29] USDA defines "food aid needs" as the amount of grain needed to fill the gap between the sum of production and commercial import capacity and two consumption levels—a "status quo" maintenance of consumption at the past average 5-year level, and "nutritional requirement" consumption based on achieving a minimum nutritional standard for the entire population.
[30] USDA, ERS, *Food Security Assessment*, p. 6.
[31] UN Food and Agriculture Organization (FAO), "Emergency Assistance Needed in Eastern Africa Following Months of Heavy Rains Linked to El Niño," Feb. 16, 1998, retrieved from the Internet address http://www.fao.org/NEWS/Global, on March 3, 1998.
[32] USDA, "Grain and Feed," prepared by U.S. Embassy, Pretoria, June 2, 1998, pp. 2-3.
[33] USDA, ERS, *Food Security Assessment*., p. 16.
[34] Ibid., p. 16
[35] USDA, "Grain and Feed Annual Report," prepared by U.S. Embassy, Pretoria, June 2, 1998, pp. 2-3.
[36] USDA, "Agricultural Situation Report," prepared by U.S. Embassy, Pretoria, Sept. 30, 1997, p. 14.
[37] USDA, "Grain and Feed Annual Report," prepared by U.S. Embassy, Pretoria, Feb. 7, 1998, p. 3.
[38] USDA, "Agricultural Situation," prepared by U.S. Embassy, Pretoria, Sept. 30, 1997, p. 16; and USDA, "AMP Market Information Report," prepared by U.S. Embassy, Pretoria, Aug. 8, 1997, p. 5.

to the lower planted corn acreage in 1997-98.[39] The opening up of corn trade negatively affected plantings, since farmers in interior areas are unable to profitably transport corn to port areas for export. Similarly, fears of the El Niño phenomenon encouraged farmers to diversify crop cultivation and plant less yellow corn.

After experiencing increased imports in 1996, the South African Government raised tariffs in 1997 on wine, wheat, and poultry to protect domestic producers.[40] As of January 1, 1998, South Africa imposed duties ranging from 25 percent for ordinary wines or wines for blending or rebottling to 1,500 to 4,000 percent for high-valued champagne. Under its minimum import price tariff trigger, South Africa imposed a duty on wheat of $10 per ton (equivalent to 7 percent of prevailing international wheat prices of $150 per ton); wheat was free of duty in 1996. Finally, the tariff on frozen chicken parts rose from a 27-percent duty to a rate of 2.2 rand per kilo (equivalent to about a 64 percent ad valorem rate).

Nigeria

On January 6, 1998, the Nigerian Government announced the lifting of import prohibitions and their replacement with tariffs on several leading agricultural commodities: poultry and eggs, barley and barley malt, beer, and mineral water.[41] Nigeria previously banned all coarse grain imports (malt, corn, sorghum, and millet); the lifting of the ban on barley may encourage imports of 0.5 mmt or more. For the other commodities, the high tariffs imposed are still likely to hamper trade. However, tariffs are frequently evaded; for example, imported beer is already widely available, as a result of smuggling and customs evasion.

Nigeria remains a significant importer of wheat, the largest U.S. market in the region. Nigeria's wheat imports rose as a result of the opening of two new wheat mills, and higher domestic demand for bread.[42] Wheat imports are assessed an effective duty of 7.5 percent, and U.S. wheat accounts for the majority of Nigerian imports.[43] Nigerian imports of U.S. wheat remained relatively flat at about 0.7 mmt during 1996-97, although total wheat imports from all countries rose modestly from 0.7 mmt to 0.8 mmt, respectively.

In 1995, Nigeria's policies governing rice imports were liberalized, with the import ban lifted and the duty reduced from 100 to 37.5 percent AVE (after the duty rebate).[44] However, U.S. exports of rice to Nigeria have amounted to only 10,000 mt, or less than 2 percent of Nigerian rice imports of 700,000 mt in 1997.[45]

Côte d'Ivoire

Côte d'Ivoire agricultural production continued to expand at an estimated annual rate of 2 percent in 1997, but less rapidly than in 1996, due, in part, to weather conditions.[46] Market liberalization of export crops (such as cocoa) raised farm prices, and encouraged production. As of June 1997, the Ivorian Government had completed privatization of parastatals, Palmindustrie (the palm oil refinery) and Sodesucre (the sugar mill and refinery), and nearly completed privatization of parastatal CIDT (cotton ginning and trading).[47] In 1997, the Government fully liberalized rice imports, and freed domestic prices of sugar and tobacco products. Duties were lowered on brown and paddy rice (unmilled rice) to encourage rice mills to import unmilled rice. Ivorian imports of rice from the United States amounted to about $14 million, or 14 percent of total rice imports of $101 million in 1996.[48]

Multilateral and Bilateral Lending

Multilateral lending that could affect U.S. trade and investment in the Sub-Saharan African agricultural sector includes project financing and other credits extended by the World Bank and the African Development Bank (AfDB). The World Bank, mainly through the International Development Association (IDA), provided $193.7 million in loans to the agriculture sector in Sub-Saharan Africa in FY1997.[49] The World Bank has funded projects in Central African Republic, Chad, Côte d'Ivoire, Ethiopia, Ghana, Madagascar, Mali, Senegal, and Zambia.

New loans for agriculture and rural development to Sub-Saharan Africa countries through the AfDB amounted to $39.3 million in 1996 (the most recent year for which data are available);[50] at the end of

[39] USDA, "Grain and Feed Annual Report," p. 3.
[40] USTR, "South Africa," *1998 National Trade Estimate Report on Foreign Trade Barriers*, p. 359.
[41] USDA, "Market Development Reports," prepared by U.S. Embassy, Lagos, Jan. 1, 1998, p. 1.
[42] USDA, "Grain and Feed Annual Report," prepared by U.S. Embassy, Lagos, Apr. 15, 1998, pp. 2-3.
[43] In 1998, there continues to be a duty rebate of 25 percent, but the rebate does not apply to tariffs on the commodities removed from the import ban list in 1998. Ibid., p. 6.
[44] Ibid., p. 10.
[45] Ibid., p. 8.
[46] USDA, "Agricultural Situation Report," prepared by U.S. Embassy, Abidjan, Sept. 17, 1997, p. 1.
[47] Ibid.
[48] Ibid., p. 25.
[49] The World Bank, *The World Bank Annual Report 1997* (Washington, DC: The World Bank, 1997).
[50] AfDB, *Compendium of Statistics 1997* (Abidjan: AfDB, 1997), tables 1.09 and 1.10.

that year, the agricultural sector accounted for approximately 16 percent of total AfDB loan commitments to all sectors in Sub-Saharan Africa. Leading recipients in the region included Côte d'Ivoire, Ethiopia, Gabon, Mozambique, Nigeria, Sudan, and Tanzania. The Multilateral Investment Guarantee Agency (MIGA) issued its first loan guarantee for a wheat mill in Guinea in the amount of $8.3 million.[51]

Forest Products[52]

Overview

In 1997, total U.S. trade in forest products with Sub-Saharan Africa declined by $11.2 million, (3.5 percent) compared with 1996. U.S. exports of sector products to the region totaled $205.1 million, an increase of $0.9 million (0.5 percent) over the 1996 level. Imports totaled $101.6 million, a decrease of $12.1 million (or 10.6 percent) from the prior year. Most of this decline is attributable to lower wood pulp prices. Historically, the United States has maintained a trade surplus in forest products with Sub-Saharan African countries; this surplus totaled $103.5 million in 1997.

Relative to global forest products trade, U.S. trade with Sub-Saharan African countries is very small. In 1997, U.S. imports of Sub-Saharan African forest products represented 0.3 percent of sector product imports from all sources. U.S. exports to the region represented 0.8 percent of sector products exports to all markets. Regularly occurring fluctuations in certain commodity prices (e.g., a decline in wood pulp prices) affected the level of trade more than any other variable.

About three-quarters of all U.S. exports of forest products to the region in 1997 were destined for South Africa. Five Sub-Saharan African countries accounted for 89.6 percent of U.S. sector exports and the top 10 countries accounted for 94.9 percent. The top five markets and the value of U.S. sector exports in 1997 are shown at the top of the next column:

1997 leading export markets	Million dollars	Percentage of total
South Africa	157.8	76.9
Nigeria	8.6	4.2
Côte d'Ivoire	7.2	3.5
Ghana	7.1	3.5
Kenya	3.1	1.5
Others	21.4	10.4
Total	205.1	100.0

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

In 1997, about half of all U.S. forest products exports to Sub-Saharan Africa consisted of pulp and paper, and nearly a third consisted of printed matter. Nearly three-quarters of the U.S. pulp and paper exports to the region were packaging papers. Furthermore, U.S. exports of solid bleached sulfate board[53] and kraft linerboard[54] (two types of packaging papers), accounted for about one-half of all pulp and paper exports to the region. In 1997, U.S. exports of solid bleached sulfate board and kraft linerboard to Sub-Saharan Africa amounted to $37.0 million and $16.9 million, respectively, down from the levels posted in 1996. South Africa was the recipient of nearly all U.S. solid bleached sulfate board exports and one-third of all U.S. kraft linerboard exports to Sub-Saharan Africa.

South Africa leads the region with a per-capita paper consumption of about 42 kilograms in 1997.[55] Sub-Saharan Africa's per-capita consumption of all types of paper averaged only about 5 kilograms in 1997. There is room for growth in consumption, some of which could be filled by U.S. exports. South Africa, the continent's largest paper producer, can produce more than 2 million tons of paper annually. Besides South Africa, only Kenya, Zimbabwe, Swaziland, Nigeria, and Tanzania have the capacity to produce at least 30,000 tons of paper annually.

The 20.6 percent decline in U.S. paper exports to Sub-Saharan Africa was partially offset by increases in U.S. exports of solid wood products and printed matter. U.S. exports of printed matter to South Africa increased by 55.0 percent, or $14.6 million, between 1996 and 1997. In 1997, South Africa accounted for $41.1 million (70.3 percent) of the $58.5 million of

[51] MIGA, *MIGA Annual Report*, 1997, p. 22.

[52] Forest products include wood, cork, straw, pulp, waste paper, paper and paperboard, converted paper products, and printed matter.

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

[54] Kraft linerboard is the strong exterior facing material used in corrugated shipping containers.

[55] Pulp and Paper International, *Annual Review*, July 1997. For comparison purposes, per-capita paper consumption in the United States, Western Europe, and Latin America was 319 kilograms, 171 kilograms, and 39 kilograms, respectively in 1997.

U.S. printed-matter exports to the region. In 1997, the United States exported $43.1 million of solid-wood products to Sub-Saharan Africa compared with $28.4 million in 1996. South Africa was again the leading market, accounting for 79.1 percent of U.S. solid-wood exports to the region. The leading solid-wood exports to South Africa were oak lumber ($17.2 million), other hardwood lumber ($6.3 million), and hardwood veneer sheets ($5.1 million). In 1997, Ghana received $5.2 million of U.S. solid-wood product exports with 90.1 percent consisting of treated poles, pilings, or posts.

South Africa supplied more than half of all U.S. forest products imports from Sub-Saharan African countries. The top five countries accounted for 85.5 percent, and the top 10 countries accounted for 95.8 percent, of all forest products from the region. The top five sources and the value of U.S. sector imports are shown below:

1997 leading import sources	Million dollars	Percentage of total
South Africa	52.8	52.0
Ghana	16.3	16.0
Zimbabwe	8.1	8.0
Côte d'Ivoire	5.7	5.6
Cameroon	4.0	3.9
Others	14.7	14.5
Total	101.6	100.0

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

The major U.S. forest product imports from Sub-Saharan Africa include high-grade chemical wood pulps, tropical hardwood veneer, kraft pulp, and African mahogany lumber. About 95.1 percent of the pulps originate from South Africa and most of the remainder from Swaziland. In 1997, South Africa exported $37.3 million in high-grade pulps and $8.0 million in kraft pulps to the United States. South Africa has 20 paper mills and 9 pulp mills[56] primarily owned by two global, vertically and horizontally integrated companies.[57] In the rest of the region, there are only 26 paper mills and 15 pulp mills.[58] In 1997, the leading suppliers of U.S. tropical hardwood veneer imports were Ghana ($6.0 million), Congo (Brazzaville) ($2.8 million), and Côte d'Ivoire ($2.5 million). The leading supplier of African mahogany lumber was Ghana ($5.4 million). Zimbabwe exported $2.4 million of softwood lumber to the United States in 1997.

Traditionally, South African forest product exports have been sent to Asian markets. However, many forest products exports from other Sub-Saharan African countries have been sent to Europe. South Africa exports about one-third of its pulp and paper production. Pulp, wood chips, and paper are the most important South African exports to global markets.[59] South Africa's forest resources are nearly all in plantations that are divided between pine and eucalyptus, and primarily held in private ownership.[60] Besides South Africa, sizeable forest resources exist in Nigeria, Cameroon, Congo (Kinshasa), Kenya, Tanzania, and Ghana.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

Dutiable U.S. imports from Sub-Saharan Africa represented 1.0 percent of all forest products imports from the region. Dutiable imports decreased by $1.2 million (54.5 percent) to $1.1 million in 1997. The U.S. ATWT on forest product imports from the region into the United States remained at 4.3 percent AVE in 1997—the same as in 1996. The main dutiable item imported by the United States consisted of wicker luggage and handbags from Madagascar, valued at $218,000, and wooden marquetry from several countries, totaling $356,000.

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

U.S. Policies

In 1997, U.S. imports of forest products from Sub-Saharan Africa eligible for GSP benefits totaled $16.6 million and represented 16.3 percent of sector-product imports from the region. This was an increase of $3.7 million (29.1 percent) from GSP-eligible sector imports in 1996. Zimbabwe, South Africa, Kenya, Ghana, and Madagascar were the major sources of U.S. GSP-eligible sector imports, accounting for 92.0 percent of such imports. The value of these imports is shown at the top of the next page:

[56] For comparison purposes, the United States has 527 paper mills and 190 pulp mills. Ibid.

[57] The two large South African paper conglomerates are Mondi Ltd. and Sappi Ltd.

[58] Derived from data in Pulp and Paper International, *Annual Review*, July 1997.

[59] USITC staff notes from Third International Pulp and Paper Symposium in Seattle, WA, Sept. 1994.

[60] Ibid.

1997 leading GSP import sources	Million dollars	Percentage of total
Zimbabwe	5.5	33.3
South Africa	4.0	24.0
Kenya	2.9	17.3
Ghana	1.7	10.5
Madagascar	1.1	6.9
Others	1.3	8.0
Total	16.6	100.0

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

GSP imports of forest products from Kenya and Ghana were predominantly wooden statuettes. A large portion of the GSP imports from South Africa consisted of wooden door parts. GSP imports of unspecified wooden articles from Zimbabwe increased significantly between 1996 and 1997.

Policy Developments in Sub-Saharan Africa

In 1995, South Africa instituted tariff reductions that should bring most tariffs on paper/paperboard to 10 percent *ad valorem* by 2000 and to 5 percent *ad valorem* by 2005.[61]

Chemicals and Related Products[62]

Overview

In 1997, the United States remained a major world producer and exporter of chemicals and related products, but its balance of trade[63] became negative with Sub-Saharan Africa. U.S. exports of chemicals and related products to the region totaled $741.1 million, an increase of $52.1 million (7.6 percent) over 1996 levels, while U.S. imports of these products were valued at $836.2 million, an increase of $310.3 million (59.0 percent). The U.S. trade balance in chemicals and related products decreased from a surplus of $163.1 million in 1996 to a deficit of $95.1 million in 1997. The Sub-Saharan African nations are, however, minor U.S. trading partners; trade in these products accounted for less than 1 percent of both total U.S. exports and total U.S. imports in 1997.

In 1997, the primary market in Sub-Saharan Africa for U.S. exports of these products was South Africa, accounting for $437.0 million (59.0 percent) of total U.S. exports of chemicals and related products to the region, while Nigeria, which accounted for $83.3 million (11.2 percent), was the second-largest export market, as shown in the following tabulation:

1997 leading sector exports	Million dollars	Percentage of total
South Africa	437.0	59.0
Nigeria	83.3	11.2
Ghana	46.0	6.2
Côte d'Ivoire	39.0	5.3
Kenya	31.7	4.3
Others	104.1	14.0
Total	741.1	100.0

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

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 countries import intermediate chemicals to use in their plants to produce downstream chemicals, as South Africa and Nigeria do not produce enough domestically to meet local demand.

The primary sources of U.S. imports from this region in 1997 were Nigeria (47.9 percent of total U.S. imports of chemicals and related products from Sub-Saharan Africa) and South Africa (21.9 percent), as shown in the following tabulation:

[61] Office of the United States Trade Representative (USTR), "South Africa," *1996 National Trade Estimate Report on Foreign Trade Barriers,* pp. 306-307.

[62] Chemicals and related products, for this sectoral writeup are grouped into 6 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, PVC resins, styrene polymers, saturated polyester resins, other plastics in primary forms, SBR rubber, other synthetic rubber, pneumatic tires and tubes, other tires, plastic containers and closures, hoses, belting, and plastic pipe, miscellaneous rubber or plastics products), and natural rubber; and (6) other miscellaneous chemicals (benzenoid

[62]—*Continued*
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).

[63] Export and import shifts reflect the reclassification of primary olefins from energy-related products (as in last year's Sub-Saharan Africa report) to chemicals and related products.

1997 leading sector imports	Million dollars	Percentage of total
Nigeria	401.0	47.9
South Africa	183.1	21.9
Angola	129.7	15.5
Gabon	63.5	7.6
Côte d'Ivoire	13.2	1.6
Others	45.7	5.5
Total	836.2	100.0

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

U.S. chemical imports from Nigeria, which increased by $183.6 million (84.4 percent), were primarily olefins and aromatics (ethylene, propylene, benzene, toluene, and xylenes) made in refineries from crude petroleum and natural gas. Because of severe maintenance problems that shut down many of Nigeria's petrochemical plants that use these materials as feedstocks, new foreign markets needed to be found to purchase the resulting oversupplies. These imports account for less than 1 percent of the U.S. market for these products. U.S. imports of chemicals and related products from South Africa and the other Sub-Saharan countries were primarily small shipments of miscellaneous organic and inorganic chemicals. The continued increase in U.S. imports from South Africa may be attributed to the reintegration of the nation into the world economy and their desire to maintain a free-market economy. As a result, increased production from many chemical facilities in South Africa is slated for export to foreign markets, including the United States.

The nations in the region depend heavily on investments by multinational chemical companies with the capital, technology, expertise, and access to feedstocks necessary to maintain a viable chemical industry. Nigeria and South Africa both rely heavily on joint ventures for these inputs, as well as to develop the infrastructure necessary to market their production.

U.S. dutiable imports of chemicals and related products from Sub-Saharan Africa increased by 4.7 percent in 1997. U.S. imports of chemicals and related products eligible for GSP (of which South Africa accounted for 97.5 percent) increased by 39.8 percent in 1997. Despite significant natural resources, potential growth in Nigeria's chemical sector was slowed by production inefficiencies resulting from maintenance and budgetary problems.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

The dutiable value of U.S. imports of chemicals and related products from Sub-Saharan Africa increased from $29.0 million in 1996 by 4.7 percent to $30.3 million in 1997, as a result of the change in the product mix imported. The ATWT on U.S. imports of chemicals and related products from the region decreased from 4.0 percent AVE in 1996 to 3.6 percent AVE in 1997, due largely to increased U.S. imports of aromatics, which are free of duty under the general rates column.

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

U.S. Policies

U.S. imports of chemicals and related products eligible for GSP increased by $33.1 million (39.8 percent), from $83.1 million in 1996 to $116.2 million in 1997. South Africa accounted for 97.5 percent of total GSP imports of chemicals and related products from Sub-Saharan Africa in 1997.[64] Other nations in the region eligible for GSP treatment together accounted for the remaining 2.5 percent of total GSP imports into the United States, as shown in the following tabulation:

1997 leading GSP import sources	Million dollars	Percentage of total
South Africa	113.3	97.5
Swaziland	0.6	0.5
Ethiopia	0.6	0.5
Senegal	0.5	0.4
Congo (Kinshasa)	0.5	0.4
Others	0.7	0.6
Total	116.2	100.0

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

GSP imports of chemicals and related products accounted for 13.9 percent of total U.S. imports of these products from Sub-Saharan Africa. U.S. imports from South Africa eligible for GSP accounted for 61.9 percent of total sector imports from South Africa. In 1997, most of the GSP imports from South Africa were specialty chemicals and certain polymers.

[64] South Africa regained its GSP eligibility in May 1994.

In the 1997 annual review of proposed modification to the GSP, U.S. Vanadium Corp. petitioned for a competitive need limit waiver for South Africa for certain inorganic carbides. According to their petition, "continuation of GSP eligibility would reduce the costs of imported materials and enable the parent company, Strategic Minerals Corp. (Stratcor), to continue making additional capital available for investment in South Africa. The loss of GSP eligibility could have a direct negative effect on workers and consumers in the United States as well because the cost of the raw material used in the production of high-strength, low-alloy steel will increase, reducing the competitiveness of U.S. downstream products in the world marketplace."[65] Opposition to the petition was stated by Shieldalloy Metallurgical Corp., a U.S. ferrovanadium producer. They stated that "nitrided vanadium (vanadium carbonitrides) from South Africa produced by a subsidiary of Stratcor in South Africa is directly competitive with ferrovanadium produced domestically in the manufacture of certain types of alloy steels. Granting Stratcor a permanent duty exemption for this item would seriously and adversely affect Shieldalloy, the U.S. vanadium industry, and U.S. workers in that industry, especially since Stratcor is increasing its production capacity of nitrided vanadium in South Africa as well as its exports of that product to the United States."[66] The petition for the competitive need limit waiver for South Africa was granted. The date of implementation for the waiver is to be determined by USTR, which it has not done as of August 1998.[67]

Policy Developments in Sub-Saharan Africa

Nigeria

Nigeria possesses the feedstocks, crude petroleum and natural gas necessary for a viable chemical industry. A member of the Organization of Petroleum Exporting Countries (OPEC), Nigeria is bound by crude petroleum production quotas. To rely less on the exportation of crude petroleum for much-needed hard currency, Nigeria has expanded production of petrochemicals for exportation from less than 500 barrels per day in 1995 to about 2,000 barrels per day in 1996.[68] However, as mentioned previously, many of the plants that would use primary petrochemicals[69] as feedstocks are in need of significant maintenance work before they can be brought back on-line. As a result, a significant volume of the primary petrochemicals produced in the Nigerian refineries is being exported. Despite increased production of petrochemicals for export, Nigeria's failure to privatize its four refineries producing petrochemicals has resulted in increasing inefficiencies and financial losses.[70] The Nigerian National Petroleum Corp. (NNPC) holds the majority ownership of the refineries producing aromatics. However, recently, NNPC has been under severe budgetary constraints and unable to finance its share of joint venture projects, including those in the chemical industry.

South Africa

South Africa's chemical industry is dominated by four large companies producing a wide range of chemicals in joint ventures with large multinational chemical companies. Industries producing petrochemicals and intermediate chemicals showed revenue growth in 1997, increasing by about 6 percent.[71] South African chemical production is of substantial significance to the country's economy, accounting for about 22 percent of its manufacturing sales.[72]

Petrochemical production is concentrated in two Sasol plants in Secunda and Natref, where petrochemical feedstocks feed directly into downstream chemical plants. Benzene and other aromatics are produced at a plant in Durban, owned by Safripol. Several other multinational chemical companies, including Shell, S.A. Cyanamid, Hoechst, BASF, and Omnia, are involved in the South African industry.[73]

South Africa was added to USTR's "Special 301" Watch List as a result of an amendment to its Medicines Act, enacted in December 1997. According to USTR, South Africa is reported to be poised to abrogate patent protection for certain pharmaceuticals if the government considers it necessary to lower the cost of medicines in South Africa.[74] This change in

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65 USITC, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences (Investigation No. 332-282)*, USITC publication 3079, Dec. 1997.

66 Ibid.

67 Information provided by the USITC Office of Tariff Affairs and Trade Agreements.

68 Official statistics of the U.S. Department of Energy.

69 Produced in petroleum refineries.

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

71 Industry sources.

72 Mbendi Information Service, "South Africa-Chemical Industries," found at Internet address http://mbendi.co.za/indy/chem/, retrieved on Oct. 1, 1997, p. 2.

73 Ibid., p. 3.

74 Press release from USTR, "USTR Announces Results of Special 301 Annual Review," press release No. 98-44, May 1, 1998, pp. 21-22.

the law is also reported to permit parallel imports of medicine. USTR and the South African Government are discussing ways of resolving this issue. South Africa is delaying implementation of the pharmaceutical bill, pending resolution of a constitutional challenge in South Africa's courts.[75]

Energy-related Products[76]

Overview

The United States has historically maintained a negative balance of trade in energy-related products with Sub-Saharan Africa, primarily because of the high level of imports of crude petroleum. The U.S. trade balance in energy-related products deteriorated by $337.7 million (3.2 percent) during 1996-97.[77] This increase in the trade deficit is attributed to a 7.1 percent decrease in U.S. exports of energy-related products, coupled with a 3.0 percent increase in imports.

U.S. exports of energy-related products to Sub-Saharan Africa decreased by $17.2 million during 1996-97 to $223.8 million in 1997, and accounted for 3.7 percent of total U.S. exports to the region in that year. Exports of refined petroleum products accounted for 71.6 percent of sector exports and coal accounted for 27.8 percent. South Africa remained the major market for U.S. sector exports, accounting for 64.8 percent, and Nigeria remained the second-largest market, accounting for 20.9 percent, as shown in the following tabulation:

1997 leading export markets	Million dollars	Percentage of total
South Africa	144.9	64.8
Nigeria	46.8	20.9
Ghana	10.7	4.8
Guinea	4.5	2.0
Cameroon	4.3	1.9
Others	12.6	5.6
Total	223.8	100.0

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

U.S. exports to South Africa consisted of refined petroleum products (57.8 percent) and specialty coals (41.8 percent). U.S. exports to South Africa decreased by about 20.6 percent from 1996 to 1997, primarily as a result of a decreased demand for refined petroleum products. South Africa continued to replace refined petroleum products with domestically produced coal-based synthetic liquid fuels, which accounted for about 40 percent of all liquid fuels consumed in South Africa during 1997.[78]

U.S. sector exports to Nigeria doubled in 1997 over 1996 levels and consisted almost entirely of refined petroleum products, primarily diesel fuels. During 1997, Nigeria shut down three of its four major refineries for safety reasons. The refineries had not undergone the statutory turnaround maintenance for more than 2 years, and boilers in the plants were failing. The 150,000 barrels per day (b/d) and 60,000 b/d refineries at Port Harcourt and the 110,000 b/d refinery in Kaduna were shut down, leaving only the 125,000 b/d refinery in Warri operating.[79] As a result, Nigeria imported refined petroleum products from the United States and other world exporters to help satisfy domestic demand.

U.S. imports of energy-related products from Sub-Saharan Africa increased by $320.5 million during 1996-97 to $11.0 billion, and accounted for 68.9 percent of total U.S. imports from Sub-Saharan Africa in 1997. Imports of crude petroleum accounted for 68.2 percent of sector imports, refined petroleum products accounted for 22.3 percent, liquefied natural gas accounted for 7.4 percent, and coal chemicals and nuclear materials accounted for the remainder. The major sources of these imports were Nigeria (a member of OPEC), Angola, and Gabon, as shown in the following tabulation:

1997 leading import sources	Million dollars	Percentage of total
Nigeria	5,573.4	50.6
Angola	2,788.6	25.3
Gabon	1,931.9	17.5
Congo (Brazzaville) . .	424.6	3.9
Congo (Kinshasa) . . .	121.3	1.1
Others	174.3	1.6
Total	11,014.1	100.0

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

The quantity of U.S. imports of crude petroleum and refined petroleum products from Nigeria increased by about 17 percent in 1997 compared with 1996; from Angola, by 14 percent; and from Gabon, by 29 percent. However, the world price of crude petroleum decreased by an average of $2 per barrel during 1997, resulting in the value of U.S. imports from Sub-Saharan Africa increasing by only

[75] Ibid., p. 21.

[76] The energy-related products sector includes crude petroleum, refined petroleum products, natural gas, coal, coke, and related products, and nuclear materials.

[77] Export and import shifts reflect the reclassification of primary olefins from energy-related products (as in last year's Sub-Saharan Africa report) to chemicals and related products.

[78] U.S. Department of Energy, *International Energy Outlook 1998*, Apr. 1998, pp. 79-80.

[79] "Nigeria Shuts Down 150,000 b/d Refinery at Port Harcourt," *OPEC Bulletin*, Mar. 1998, p. 15.

2 percent. World crude prices fell in 1997, in response to an oversupply of crude petroleum on the world market.

The most significant development affecting the energy-related products sector in 1997 was the institution of the GSP-LDBDC program by the United States. Other than the GSP-LDBDC program, there were few changes in terms of these products in these nations. However, production of energy-related products increased in Angola, Nigeria, and South Africa and continued to be mainstays of these economies.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

The dutiable value of U.S. energy-related imports from Sub-Saharan Africa decreased by $1.2 billion (15.4 percent) to $6.8 billion in 1997. Also in 1997, the ATWT on U.S. sector imports from the region remained at the 1996 level of 0.5 percent AVE, because imports of crude petroleum and distillate and residual fuel oils remained the primary products imported. There are no future WTO tariff reductions scheduled for the energy-related products sector.

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

U.S. Policies

Prior to the GSP-LDBDC program, most of the products in this sector were not eligible for GSP benefits. There were no GSP imports of energy-related products in 1996 from Sub-Saharan Africa; however, in 1997 GSP-LDBDC imports from Angola consisted of two small shipments of both crude petroleum and distillate fuel oils. GSP-LDBDC imports from Congo (Kinshasa), Equatorial Guinea, and Benin consisted of small shipments of crude petroleum. Total U.S. GSP-LDBDC imports of energy-related products in 1997 amounted to $699.1 million, equal to 6 percent of total U.S. sector imports from Sub-Saharan Africa. Angola accounted for 95.6 percent of the total, as shown in the following tabulation:

1997 leading GSP import sources	Million dollars	Percentage of total
Angola	668.1	95.6
Congo (Kinshasa)	14.7	2.1
Equatorial Guinea	13.0	1.9
Benin	3.4	0.5
Total	699.1	100.0

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

Policy Developments in Sub-Saharan Africa

Angola

The petroleum industry continues to be the mainstay of the Angolan economy. As a result of joint ventures with several multinational petroleum companies, Angola's production of crude petroleum increased by 6 percent from 690,000 b/d in 1996 to 730,000 b/d in 1997.[80] During 1997, 5 deep-well discoveries were developed and, based on current well commitments and deepwater successes, the number of well completions is expected to continue to increase in 1998 and beyond.[81]

Nigeria

Nigeria continues to be a major supplier of crude petroleum to the U.S. market. The nation's abundant reserves of crude petroleum and natural gas have led to the development of a petroleum industry that is crucial to the Nigerian economy, providing more than 90 percent of the nation's foreign exchange earnings. Nigeria's production of crude petroleum increased by 6 percent from 2.2 million b/d in 1996 to 2.3 million b/d in 1997.[82] During 1997, Nigeria was producing crude petroleum at 30 percent over its OPEC production quota. About 60 percent of Nigeria's crude petroleum production in 1997 was exported, because 3 of its 4 refineries were out of operation due to maintenance problems.

The NNPC maintains interests of 50 percent or more in production joint ventures with large multinational petroleum companies that produce more than half of Nigeria's production of crude petroleum. However, foreign operators continue to be reluctant to commit to exploration and development unless NNPC pays its share. NNPC is currently $800 million in

[80] "OPEC's Extra Output Adds To World Supply," *Petroleum Economist*, Mar. 1998, p. 16.
[81] "Fourth and Fifth Deep-Water Oil Discoveries," *Petroleum Economist*, May 1998, p. 37.
[82] "OPEC's Extra Output Adds To World Supply," *Petroleum Economist*, Mar. 1998, p. 16.

arrears in exploration and production programs.[83] Budget cutbacks in Nigeria have resulted in the cancellation of rig contracts and delays in refinery maintenance. Proposed spending for joint venture projects in 1998 are estimated at $4 billion, but foreign partners have only committed to invest $2.25 billion until it is evident whether Major-General Abdusalam Abubakar, who assumed power in Nigeria in mid-June 1998, will sanction NNPC's full contributions to exploration and development spending.[84] In addition, Nigeria is $350 million in arrears in its payments to OPEC.

Textiles, Apparel, and Footwear[85]

Overview

The U.S. trade deficit in textiles and apparel with Sub-Saharan Africa widened by $71.9 million (37.0 percent) over the 1996 level to $266.3 million in 1997. Previously, the trade deficit had narrowed from $263.7 million in 1994 to $194.4 million in 1996. The 1997 increase in the trade deficit resulted from a rebound in U.S. sector imports from Sub-Saharan Africa, and a slowdown in the growth of U.S. sector exports to the region. Imports rose by $75.5 million (19.1 percent) to $471.1 million, following a decline of $30.2 million (7.1 percent) in 1996. Exports grew by $3.6 million (1.8 percent) to $204.8 million, following an increase of $30.5 million (17.9 percent) a year earlier. Sub-Saharan Africa accounted for less than 1 percent of U.S. sector trade in 1997.

The 1997 slowdown in the growth of U.S. sector exports to Sub-Saharan Africa resulted mainly from smaller shipments to several major markets, including South Africa, Congo (Kinshasa), Côte d'Ivoire, Niger, and Tanzania. Nevertheless, South Africa remained by far the leading market for U.S. sector exports in Sub-Saharan Africa, as shown in the tabulation at the top of the next column:

1997 leading export markets	Million dollars	Percentage of total
South Africa	44.4	21.7
Benin	18.5	9.0
Niger	15.4	7.5
Ghana	13.1	6.4
Tanzania	11.3	5.5
Others	102.1	49.8
Total	204.8	100.0

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

U.S. sector exports to South Africa in 1997 declined by $2.3 million (5 percent) from the 1996 level, and those to Tanzania fell by $1.3 million (10 percent). Exports to Niger fell by $4.2 million (21 percent), after rising from $2.1 million in 1993 to $19.6 million in 1996, and those to Côte d'Ivoire fell by $3.4 million (27.1 percent), after rising from $4.9 million in 1993 to $12.4 million in 1996. Sector exports to the Congo (Kinshasa) declined again in 1997, by $5.2 million (42.8 percent). These export declines were more than offset by gains in U.S. shipments to other markets in the region, such as Benin, Ghana, Congo (Brazzaville), and for the first time in several years, Nigeria. Exports to Benin grew by $4.7 million (34 percent) in 1997, enabling the country to supplant Niger as the second-largest market for U.S. sector exports in the region. Ghana emerged as the fourth-largest market when exports to the country grew by $2.0 million (18 percent). U.S. shipments to the Congo (Brazzaville) rose from just under $90,000 in 1996 to $6.3 million in 1997 and those to Nigeria rose by $1.5 million (17.0 percent), to $10.2 million, after falling from $21.2 million in 1993 to $8.7 million in 1996.

The principal U.S. sector products exported to Sub-Saharan Africa continued to be used clothing and other used textile articles, reflecting the poverty in many parts of the region. U.S. exports of these articles to the region in 1997 rose by $17 million (18.4 percent) over the 1996 level, to $109.2 million, and were almost double the 1994 level of $56.4 million. The used goods accounted for 53.3 percent of U.S. sector exports to the region in 1997, and they were the sixth-largest U.S. export to the region overall (based on trade at the six-digit HTS heading level). The used goods made up at least 75.0 percent of the sector exports to Benin, Niger, and Tanzania, and 63.0 percent of those to Ghana. Such goods represented only 3.9 percent of sector exports to South Africa, shipments that consisted of a wide range of textile articles. Textile items (mainly fabrics and yarns) and apparel accounted for 90.0 percent and 10.0 percent, respectively, of U.S. sector exports to South Africa.

The leading sources of U.S. sector imports from Sub-Saharan Africa in 1997 remained Mauritius, South Africa, and Lesotho, which together accounted

[83] "Nigerian E&P Stymied Over Cash Shortage," *Oil and Gas Journal*, June 22, 1998, p. 32.
[84] Ibid.
[85] The textile, apparel, and footwear sector includes fibers (other than cotton and wool, which are included in agricultural products), yarns, fabrics, made-up textile goods, apparel of textile and nontextile materials (leather, fur, rubber, and plastic), and footwear. Because U.S. footwear trade with Sub-Saharan Africa is negligible, this sector discussion will deal only with textiles and apparel.

for 79.6 percent of the total. Kenya followed with 6.7 percent of the total, as shown in the following tabulation:

1997 leading import sources	Million dollars	Percentage of total
Mauritius	184.6	39.2
South Africa	103.8	22.0
Lesotho	86.6	18.4
Kenya	31.8	6.7
Madagascar	16.0	3.4
Others	48.3	10.3
Total	471.1	100.0

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

Sector imports from Mauritius partially recovered in 1997, rising by $19.4 million (11.7 percent), following a decline in 1996 of $25.8 million (13.5 percent). The price competitiveness of the textile and apparel sector in Mauritius has declined in recent years, because of rising labor costs brought on by a tight labor market. Part of the Mauritian sector trade has shifted to Madagascar, a neighboring country with lower cost labor. Sector imports from Madagascar totaled $16.0 million in 1997, representing an increase of $4.2 million (34.9 percent) over the 1996 level, and are up considerably over the 1993 level of $2.3 million. Sector imports from South Africa and Lesotho continued to expand in 1997, by $16.5 million (18.8 percent) and $21.6 million (33.3 percent), respectively. Imports from Kenya, the fourth-largest supplier of sector imports from Sub-Saharan Africa, rebounded by $4.0 million (14.4 percent) in 1997, following declines of $8.9 million (24.2 percent) in 1996 and $1.3 million (3.5 percent) in 1995. However, the 1997 total was $6.2 million below the 1994 peak of $38.0 million. The declines followed the establishment of U.S. quotas on Kenya's shipments of cotton, manmade-fiber shirts, and cotton pillowcases in 1994.

Although sector goods accounted for 2.9 percent of U.S. merchandise imports from Sub-Saharan Africa in 1997, they represented a significant share of the shipments from several countries in the region. For example, sector goods accounted for 99.9 percent of total U.S. imports from Lesotho, 78.4 percent for Mauritius, and for at least 25.0 percent for Kenya, Madagascar, Swaziland, and Tanzania.

Cotton apparel dominates U.S. sector imports from Sub-Saharan Africa, with shirts, blouses, trousers, and shorts accounting for 76.0 percent of the total. Imports from South Africa are much more diverse. The major item is manmade-fiber yarn, accounting for 40.0 percent of sector imports from South Africa in 1997. Other major sector imports from South Africa were cotton shirts, blouses, and nightwear.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

The U.S. ATWT rate for dutiable textiles and apparel in 1997 was 14.0 percent AVE, down by 7.0 percent from 1996. Under the WTO, the United States is reducing its average sector tariff rate by 2.0 percentage points, to 15.2 percent, on a global basis. Most of these reductions will be phased in over 10 years. The lower ATWT for sector imports from Sub-Saharan Africa reflects the preponderance of cotton goods that generally have lower rates of duty than those of manmade fibers.

Other Trade Policy Developments

On January 1, 1995, the Uruguay Round Agreement on Textiles and Clothing (ATC) entered into force as part of the WTO agreements and replaced the Multifiber Arrangement (MFA) system of quotas, which was established under the General Agreement on Tariffs and Trade (GATT) in 1974. The ATC obligates WTO countries to phase out quotas maintained under the MFA on sector imports from other WTO countries within 10 years. Under the ATC, textiles and apparel are to be "integrated" into the GATT regime, that is, brought under GATT discipline and made subject to the same trade rules as goods of other sectors. The ATC also allows WTO countries to establish new quotas during the 10-year period on imports of goods that have yet to be integrated into the GATT regime, and that cause or threaten serious damage to a domestic industry. Under this safeguard mechanism, the new quotas may remain in place for up to 3 years, or until the item is integrated into the GATT regime.

The 10-year integration process will occur in several stages, the first of which occurred in 1995, when WTO countries integrated 16 percent of their sector trade into the GATT regime (based on 1990 import volume). The second stage occurred on January 1, 1998, when WTO countries were obligated to integrate at least another 17 percent of sector trade into the GATT regime. The third stage will occur in 2002, when at least another 18 percent of the trade is to be integrated. The rest of the trade is to be integrated at the end of the 10-year period on January 1, 2005. In addition, the ATC obligates WTO countries to accelerate annual growth rates for quotas still in place during the 10-year transition period. Quota growth rates differ by country and product. On the basis of quotas and growth rates in effect at the end of 1994, annual quota growth rates for major supplying countries were increased by 16 percent in 1995, by another 25 percent in 1998, and will be increased again by 27 percent in 2002. For small suppliers (i.e., countries accounting for 1.2 percent or less of an importing country's total quotas at the end of 1991), quota growth rates were advanced by one stage in 1995 and 1998; that is, growth rates were increased by 25 percent and 27 percent, respectively.

The United States currently has quotas on sector imports from two Sub-Saharan Africa countries—Mauritius and Kenya. The two quotas for Kenya have been in place only since 1994, and covered cotton pillowcases and men's and boys' woven shirts of cotton and of manmade fibers. These quota articles together accounted for 58 percent of the total value of U.S. textile and apparel imports from Kenya in 1994, and for 40 percent of the total in 1997. Kenya filled 44 percent of the 1997 shirt quota but none of the pillowcase quota.

The agreement with Mauritius is more comprehensive, having some 13 quotas in 1997. Of these, the quota for cotton knit shirts and blouses was totally filled and the one for cotton trousers was 85 percent filled. None of the other quotas was more than 40 percent filled. In 1997, imports from Mauritius subject to quotas amounted to $156.3 million, or 85 percent of that year's imports covered by the quota program.

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

U.S. Policies

Almost all textile and apparel articles are statutorily excluded from duty-free treatment under the GSP. As a result, U.S. sector imports from Sub-Saharan Africa entering free of duty under the GSP are small, accounting for less than 1 percent of total sector imports from the region in 1997. Most of the GSP sector imports from the region came from South Africa and Madagascar, as shown in the tabulation at the top of the next column.

1997 leading GSP import sources	Million dollars	Percentage of total
South Africa	1.7	69.6
Madagascar	0.6	23.8
Kenya	0.1	2.6
Côte d'Ivoire	0.1	2.5
Zimbabwe	([1])	0.5
Others	([1])	0.9
Total	2.5	100.0

[1] Less than $50,000.
Note.—Because of rounding, figures may not add to the total shown.

The Africa Growth and Opportunity Act now pending in Congress, would provide enhanced access to the U.S. market for textiles and apparel from Sub-Saharan Africa. Section 8 (c) of the bill provides for elimination of the current textile and apparel quotas for Kenya and Mauritius, but only after each country establishes a visa system to guard against unlawful transshipment of sector goods. Section 9 of the bill would authorize the President to extend duty-free treatment under the GSP for currently excluded textile and apparel goods. The proposed duty-free treatment would remain in effect until May 31, 2007.

In its report on the likely effects of granting quota-free and duty-free entry to the U.S. market for textiles and apparel from Sub-Saharan Africa, the USITC assessed the competitiveness of the 48 countries of the region.[86] Key findings of the USITC's study conclude that removal of U.S. quotas on textile and apparel imports from SSA would lead to an 0.4 to 0.6 percent increase in apparel imports from the region, would provide small welfare gains (roughly $3 million) to U.S. consumers, and cause negligible impact on U.S. producers and workers. If both quotas and tariffs were removed, the USITC estimated that U.S. imports of apparel from Sub-Saharan Africa would grow between 26 and 46 percent (between $100 million and $175 million), domestic shipments would decline by about 0.1 percent, and result in employment losses of 676 full-time equivalents. For textiles, the USITC estimated that imports from Sub-Saharan Africa would increase by 11 to 17 percent ($2.5 to $4.0 million), and that the effect on U.S. producers and workers would be negligible. The USITC also determined that, under industry conditions then current, seven countries—Mauritius, Kenya, South Africa, Lesotho, Swaziland, Zimbabwe, and Madagascar—were capable of expanding their production of sector goods for export to the U.S.

[86] For a detailed assessment of the competitive potential for the textile and apparel industry in Sub-Saharan Africa as a whole and for individual countries in the region, see USITC, *Likely Impact of Providing Quota-Free and Duty-Free Entry to Textiles and Apparel from Sub-Saharan Africa* (investigation No. 332-379), USITC publication No. 3056, Sept. 1997.

market. The USITC determined that an additional nine countries in the region—Botswana, Cameroon, Côte d'Ivoire, Ghana, Malawi, Mozambique, Nigeria, Tanzania, and Zambia—could expand their sector exports to the United States if sufficient capital were invested in industry and the related infrastructure. The remaining 32 Sub-Saharan African countries were determined by the Commission to be less likely to compete in the U.S. textile and apparel market. These countries share common characteristics, including that of being among the poorest economies in the world. They also generally have poor infrastructure and a small or nonexistent commercial textile and apparel industry. These countries have large potential labor pools, but would require substantial investment in technology and training to develop a textile and apparel industry capable of competing in the U.S. market.

Policy Developments in Sub-Saharan Africa

Table 4-1 highlights developments primarily in the textile and apparel industries of the countries that the USITC identified in its 1997 study as currently capable of competing in the U.S. market, and those that could expand shipments to the U.S. market with sufficient investment.

Multilateral Lending

The International Finance Corporation (IFC) has approved a $4 million project to streamline and expand textile operations of Sunflag in Arusha, Tanzania.[87]

Minerals and Metals[88]

Overview

U.S. trade with Sub-Saharan Africa indicates continued reliance on the region's mineral resources and a shortage of large-scale markets in the region for U.S. exports.[89] During 1996-97, the U.S. trade deficit increased $121.4 million (6.4 percent) to $2.0 billion, as U.S. exports to the region decreased by $30.5 million (10.8 percent) to $250.3 million, and U.S. imports from this region grew by $90.9 million (4.2 percent) to $2.3 billion.

With the exception of Congo (Brazzaville), the top five markets for U.S. exports of minerals and metals remained unchanged from 1996. Almost 65.0 percent of U.S. sector exports were concentrated in two countries, South Africa and Nigeria, as shown in the following tabulation:

1997 leading export markets	Million dollars	Percentage of total
South Africa	124.3	49.7
Nigeria	37.2	14.9
Angola	18.0	7.2
Ghana	13.6	5.4
Congo (Brazzaville) .	10.9	4.3
Others	46.4	18.5
Total	250.3	100.0

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

Exports to the top two markets decreased by $51.5 million (24.2 percent) from 1996. Much of this decline was accounted for by U.S. exports to Nigeria, which fell $30.1 million (44.7 percent), owing to decreased demand as a result of deteriorating domestic economic conditions. Increased inflation, high food prices, fuel shortages, and an unreliable electricity supply[90] in Nigeria resulted in a decline in industrial output and decreased domestic and foreign investment as investors turned to other, more stable countries.[91] A decrease in South African domestic demand also contributed to the decline in exports to that country of $21.4 million (14.7 percent) for 1997.[92] However, the growth in natural resource exploration due to the implementation of liberalized mining laws in a number of countries increased exports of sector

[87] "Roundup: East African Projects Get World Bank's Funding," Xinhua News Agency, Jan. 12, 1998, found on the Internet at http://www.xinhua.org, Apr. 30, 1998.

[88] The minerals and metals sector includes clays and earths, sand and gravel, stone, cement and plaster, and nonmetallic minerals; metal-bearing ores, concentrates, ash, and residues; ceramic, glass, and fiberglass articles; gemstones; iron and steel, base metals, precious metals, and metal alloys in unwrought and scrap forms; ferrous and nonferrous mill-products (shaped by casting, forging, machining, rolling, drawing, or extrusion operations); and certain fabricated metal products (e.g., containers, wire cables, chain, industrial fasteners, certain kitchen and

[88]—*Continued*
sewing implements, cutlery, nonpowered hand tools, construction components, and builder's hardware, etc.).

[89] South Africa is the only large-scale market in Sub-Saharan Africa for U.S. exports of minerals and metals.

[90] U.S. Department of State telegram, "Nigeria-Inflation Rises in the Second Half," message reference No. 07431, prepared by U.S. Embassy, Lagos, Aug. 3, 1997.

[91] U.S. Department of State telegram, "Nigeria's Economy in a Downward Spiral," message reference No. 00229, prepared by USLO, Abuja, Apr. 24, 1998.

[92] U.S. Department of State telegram, "South Africa: Economic Highlights," message reference No. 003350, prepared by U.S. Embassy, Pretoria, Mar. 18, 1998.

Table 4-1
Textile and apparel sector: Policy developments in Sub-Saharan Africa

Country	Development
Kenya	The Government of Kenya announced that it will ban all imports of raw cotton and textiles to protect domestic industries. Kenya's textile and apparel manufacturers had complained that increased imports of used clothing—primarily from Europe and Canada, but some from the United States—are causing declining sales of locally produced textiles and apparel.[1]
Malawi	Malawi's apparel industry employed 7,000 workers in 1997 compared with 13,000 in 1992. Since Malawi's Export Processing Zone (EPZ) laws went into effect in December 1995, several firms from South Africa, India, and Taiwan have invested in Malawi's apparel industry. Eleven EPZ licenses have been issued as of November 1997 for apparel production.
Mauritius	Textile and clothing manufacturing has become the most important component of the economy of Mauritius. About 275 firms produce apparel for export to Europe and the United States.[2] Most of the apparel firms are in EPZs. Labor shortages have forced the apparel industry to start moving to other countries. For example, it has created 25,000 jobs in Madagascar.[3]
Niger	The newly privatized textile mill once owned by the Government of Niger was purchased by investors from China. Mill operators plan to start producing cotton in the Gaya area of Niger. This production is expected not only to meet the demands of the textile mill but to produce cotton for export, helping diversify Niger's agricultural output.[4]
Tanzania	On April 1, 1997, China and Tanzania announced plans to revitalize the Friendship Textile Mill of Tanzania, which the two countries established as a joint venture in 1968.[5] Under the new management, the Dieqiu Textile Company of China will own a 51 percent share of the firm and manageoperations and the Tanzanian government will own a 49 percent share.

[1] U.S. Department of State telegram, "Kenya Economic/Commercial Review: 6/24/98," message reference No. 009793, prepared by U.S. Embassy, Nairobi, June 23, 1998

[2] U.S. Department of State telegram, "1998 Investment Climate Statement - Mauritius," message reference No. 000396, prepared by U.S. Embassy, Port Louis, Mar. 5, 1998

[3] Letter to Ambassador Geisel from Viger de Latour, President, Mauritius Export Processing Zone Association, in U.S. Department of State telegram, "Africa Growth and Opportunity Bill," message reference No. 001394, prepared by U.S. embassy, Port Louis, July 24, 1998

[4] U.S. Department of State telegram, "IMI: Niger: Entrepreneur to Expand Cotton Production," message reference No. 001958, prepared by U.S. Embassy, Miamey, May 26, 1998

[5] "What's New in Your Sector: Clothing and Textiles—Tanzania," *Business Africa,* May 1-15, 1997, p.10, and Pei Shanqin, "Tanzania-China Friendship Textile Co., Ltd,." NewsEDGE/LAN, Apr. 1, 1997.

products to all other Sub-Saharan African countries, compared to the previous year.[93]

The largest export product category in 1997 continued to be pipes, tubes, and other steel mill products (26.8 percent of the sector total), although exports of such products fell $25.1 million (27.3 percent) to $67.0 million. As previously discussed, the declining economic conditions in Nigeria contributed to a $23.3 million (92.8 percent of the total) decrease in this product category. Exports of precious metals were $9.2 million (35.5 percent) below the previous year's level. Much of this decline is attributed to the restructuring of the mining industry in South Africa and lower metal prices.[94] Exports of chain and miscellaneous base-metal products increased $3.3 million (16.3 percent) in 1997, placing it as the second-leading sector export as shown at the top of the next page:

[93] "Investing in Africa," *Mining Journal,* vol. 330, No. 8163 (Jan. 30, 1998), p. 1.

[94] U.S. Department of State telegram, "South Africa Mineral and Metals Overview," message reference No. 012508, prepared by U.S. Embassy, Pretoria, Dec. 3, 1997.

1997 leading sector exports	Primary markets	Million dollars	Percentage of total
Steel mill products (especially pipes and tubes)	Nigeria, Gabon, and Congo (Brazzaville)	67.0	26.8
Chain and miscellaneous base-metal products	South Africa, Nigeria, and Angola	23.6	9.4
Nonpowered hand tools	South Africa	21.9	8.7
Precious metals and related articles (primarily gold bullion)	South Africa	16.8	6.7
Graphite, sand, stone, and metal	Angola, South Africa, Congo (Brazzaville)	14.0	5.6
Others	South Africa	107.0	42.8
Total		250.3	100.0

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

Four of the top five U.S. import sources also remained the same in 1997, with Zambia replacing Zimbabwe on the list. South Africa accounted for 75.2 percent of U.S. imports and, as in previous years, Congo (Kinshasa), Guinea, and Ghana each accounted for slightly more than 5 percent of U.S. imports:

1997 leading import sources	Million dollars	Percentage of total
South Africa	1,706.0	75.2
Congo (Kinshasa)	123.0	5.4
Guinea	119.5	5.3
Ghana	116.4	5.1
Zambia	54.7	2.4
Others	149.5	6.6
Total	2,269.1	100.0

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

More than three-quarters of U.S. imports in 1997 were again concentrated in four product groups: platinum-group and other precious metals (35.5 percent); diamonds and other gemstones (18.4 percent); metal-bearing ores, concentrates, ash and residues (12.1 percent); and ferroalloys (8.7 percent), as indicated in the tabulation at the top of the next page.

Much of the 4.2 percent increase in U.S. sector imports resulted from reduced domestic demand in South Africa[95] and increased demand from North America and Western Europe for minerals and metals products.[96] Decreased gold prices and the restructuring of the mining industry prompted South Africa to shift and increase production of other minerals and metals such as coal, platinum, and titanium.[97]

Numerous developments affected trade in the minerals and metals sector between the United States and Sub-Saharan Africa. Two of the more significant developments were the increase of U.S. imports from the region under the GSP program, and establishment of a pricing mechanism in late 1997 on imports of carbon steel plate from South Africa. The pricing mechanism was instituted pursuant to a suspension agreement, the result of an antidumping petition filed by U.S. carbon steel plate producers with USDOC and the USITC.[98]

In addition to recent legal developments, continued falling prices for many metals may inhibit investment and lower export revenues in the region. The prices for two of the region's major commodities, gold and copper, declined substantially during the 1996-97 period. Copper prices declined from $2,616 to $1,762 per metric ton (mt)[99] and gold prices fell from $399 to $289 per troy ounce.[100] Decreased prices caused the South African mining industry to cut production of gold output and close high-cost mines to reduce production costs.[101]

[95] U.S. Department of State telegram, "South Africa: Economic Highlights."

[96] U.S. Department of State telegram, "Potential Impact of the Asian Crisis," message reference No. 001725, prepared by U.S. Embassy, Pretoria, Feb. 12, 1998.

[97] U.S. Department of State telegram, "South Africa Mineral and Metals Overview."

[98] The suspension agreement requires signatory producers/exporters to revise prices, to eliminate completely the amount by which the normal (constructed) value of the merchandise exceeds the U.S. price.

[99] World Metal Statistics, vol. 51, No. 5, May 1998, p. 148.

[100] Ibid., p. 150.

[101] U.S. Department of Commerce (USDOC), "South Africa-Mining Overview," market research report No. IMI971203, prepared by Foreign Commercial Service Office, Pretoria, Dec. 3, 1997.

1997 leading sector imports	Primary sources	Million dollars	Percentage of total
Precious metals and related articles (especially platinum-group metals)	South Africa	805.6	35.5
Natural and synthetic gemstones (primarily diamonds)	South Africa, Ghana, Congo (Kinshasa)	416.5	18.4
Metal-bearing ores, concentrates, ash, and residues	South Africa	273.5	12.1
Ferroalloys	South Africa and Zimbabwe	196.9	8.7
Unwrought aluminum	Guinea	137.6	6.1
Others	South Africa	439.0	19.3
Total		2,269.1	100.0

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

In terms of investment during the period, developments in mining regulations and laws in a number of Sub-Saharan African countries, as well as the restructuring of some national mining industries during 1997, led to a 59.0 percent increase in sector-related exploration (up $245.0 million to $645.0 million).[102] Some of the more notable changes were the restructuring of the South African mining industry and Botswana's amendment of the existing mining laws and regulations. The trend towards the liberalization of mining laws and development of infrastructure will both increase the potential for a greater U.S. corporate presence in the region, and also increase the likelihood of investments from mining companies of other regional countries, particularly Ghanian and South African mining companies. In addition, the need for infrastructure and investment will also increase the potential for U.S. exports of steel and other sector products used in these ventures.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

The dutiable value of U.S. minerals and metals imports from Sub-Saharan Africa decreased $7.7 million (3.4 percent) to $217.9 million during 1997, although the proportion of sector imports subject to duty remained at about 10 percent. The sector ATWT increased only slightly to 4.1 percent AVE in 1997, from 4.0 percent AVE in 1996. Despite the continuing reduction of tariffs due to the WTO Agreement, U.S. imports increased in sector products with higher tariff rates, thus offsetting the effect of the decrease in the dutiable value of U.S. minerals and metals imports. South Africa accounted for 98.0 percent ($213.1 million) of U.S. dutiable sector imports from the region in 1997.

Other Trade Policy Developments

South Africa completed its elimination of direct subsidies to domestic manufacturers under the General Export Incentive Scheme (GEIS) on December 31, 1997. South Africa committed itself to gradual reduction in subsidies after reviewing the GEIS program in 1995 and finding it inconsistent with WTO principles. Instead, it now offers financial assistance for the development of new export markets through financing for trade missions and market research under the Export Marketing Assistance (EMA), a program that is more consistent with WTO guidelines.[103]

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

U.S. Policies

Duty-free imports of minerals and metals from Sub-Saharan Africa under the GSP program increased $4.7 million (2.1 percent) to $233.5 million in 1997, although the proportion of GSP sector imports as a share of total sector imports from the region remained at about 10.0 percent. Similar to 1996, most GSP sector imports (97.1 percent) were from South Africa and Zimbabwe:

[102] "Investing in Africa," *Mining Journal,* p. 1.

[103] U.S. Department of State, "South Africa," 1997 *Country Reports*.

1997 leading GSP import sources	Million dollars	Percentage of total
South Africa	187.5	80.3
Zimbabwe	39.2	16.8
Tanzania	2.5	1.1
Kenya	2.0	0.9
Namibia	0.6	0.3
Others	1.6	0.7
Total	233.5	100.0

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

The increase in GSP sector imports can be attributed to the addition of imports from Benin, Malawi, Rwanda, Senegal, Sierra Leone, and Togo, and five additional sector products that were not imported under the GSP program the previous year.[104] Although ferroalloy imports declined by $22.5 million (13.1 percent) to $149.4 million, it was still the leading GSP sector import from Sub-Saharan Africa; the contribution of other leading GSP sector imports were relatively unchanged as a percentage of products imported in 1997. See tabulation at the bottom of the page.

USDOC negotiated a suspension agreement with South Africa in October 1997 that initiated quarterly monitoring of South African cut-to-length carbon steel plate imports.[105] South African exports of this product fell by 66,587 mt (90.0 percent) in 1997.[106] Another recent development was the May 1998 affirmative preliminary determination of a reasonable indication of material injury to U.S. producers of certain stainless steel plates imported from South Africa in the preliminary phases of antidumping and countervailing duty proceedings.[107]

Policy Developments in Sub-Saharan Africa

The falling price of metals and the high cost of production led to increased efforts by Sub-Saharan African governments to attract foreign investment and privatize their mining industries. The liberalization of mining regulations by many countries in the region in 1997 resulted in the largest regional increase recorded in exploration spending.[108] According to the Metals Economic Group, mining firms' budget allocations for Africa increased from $418.0 million in 1996 to $663.0 million in 1997, boosting Africa's share of global exploration from 11.9 percent to 16.5 percent.[109] However, despite the continuing commitment towards liberalization, there were instances of canceled mining contracts and stalled negotiations during the period, owing to the reluctance of some governments to allow foreign companies certain concessions. Table 4-2 summarizes the important policy developments in Sub-Saharan Africa in the minerals and metals sector.

Multilateral Lending

Multilateral lending for the minerals and metals sector continued, as in previous years, to be directed towards privatization of operations and production improvements. In 1997, the International Finance Corporation (IFC), after appraising the economic and environmental merits of an aluminum smelter, approved a $120 million loan for construction of the

[104] These products were lead ores and residues, certain ores, fabricated structurals, metal and ceramic sanitary ware, and lead and related articles.

[105] The suspension agreement was negotiated after UCDOC made an affirmative final determination of dumping. The investigation was continued at the USITC, which made a final affirmative determination that a U.S. industry was materially injured. USITC, *"Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine,"* investigation No. 731-TA-753-756 (Final), 62 FR 66128, Dec. 17, 1997.

[106] USITC, "*Shifts in U.S. Merchandise Trade in 1997*," investigation No. 332-345, July 1998, p. 4-15.

[107] USITC, "*Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan,*" investigation No. 701-TA-376-379 (preliminary) and 731-TA-788-793 (preliminary), issued May 21, 1998.

[108] "Investing in Africa," *Mining Journal*, p. 1.

[109] Ibid., p. 3.

1997 leading sector GSP imports	Primary sources	Million dollars	Percentage of total
Ferroalloys	South Africa and Zimbabwe	149.4	64.0
Flat glass and certain flat-glass products	South Africa and Zimbabwe	19.0	8.1
Aluminum mill products	South Africa and Namibia	13.5	5.8
Certain miscellaneous mineral substances	South Africa	11.9	5.1
Copper and related articles	South Africa and Zimbabwe	9.5	4.1
Others	South Africa	30.2	13.0
Total		233.5	100.0

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

Table 4-2
Minerals and metals: Policy developments in Sub-Saharan Africa

Country	Development
Botswana	Mining law liberalization: Government ownership entitlement reduced to 15 percent and tax rate on small mines reduced to 25 percent. Deposit developmental rights extended to 6 years after expiration of prospecting license.
Burkina Faso	New mining laws allow tax breaks for investors, longer permit periods during prospecting, and possible access to larger land areas.
Chad	Chadian company gained prospecting and mining rights for the Guera region and seeks U.S. investors.
Congo (Kinshasa)	U.S. mining company lost exploration rights to a project when Government claimed that agreement was made during a political transition and was not beneficial to the country. The U.S. company unsuccessfully attempted legal action, then formed joint venture with South African company to pursue development of the project.
Guinea-Bissau	Government is actively seeking foreign investment in the mining sector. Alumina plant was privatized; new owners plan modernization program.
Madagascar	U.S. company is completing environmental study of nickel-cobalt deposit development. May invest over $500 million to develop mine.
Mozambique	Construction of new aluminum smelter approved for a consortium of foreign investors.
Senegal	Government has offered five gold-mining permits to potential investors.
South Africa	Government is taking steps to restructure mining sector to lower production costs and attract foreign investment.
Zambia	Government efforts to privatize state copper company broke down when potential investors' purchase offer rejected.

Source: Various issues of *Mining Journal*, *Platt's Metals Week* and other sources.

Mozal aluminum smelter in Mozambique.[110] The project, headed by Gencor and the Industrial Development Corp. (IDC) of South Africa, is estimated to cost $1.4 billion. Reportedly, this loan with IFC's involvement and reputation in the industry will reassure other financial and government institutions that environmental, legal, and financial issues will not be dealt with arbitrarily in Mozambique. The reassurance may increase foreign investment in other sectors (such as infrastructure and telecommunications), thus increasing the potential for exports from the United States.[111]

Machinery[112]

Overview

U.S. trade with Sub-Saharan Africa in the machinery sector, except for South Africa, continues to be restrained by a number of factors, particularly an underdeveloped industrial sector.[113] The United States, nevertheless, continued to experience an overall trade surplus with the region in these products in 1997, which increased by $63.4 million (9.3 percent) to $747.1 million, compared to 1996.

[110] IFC, Projects Profiles, found at Internet address http://www.ifc.org/AR97/html/3-6.html, retrieved on July 16, 1998.

[111] Ibid.

[112] The machinery sector includes a wide range of specialized and general machinery and consumer durables.

[112]—*Continued*
Major product segments include farm and garden machinery, metalworking machinery, printing machinery, textile machinery, pumps and valves, mineral-processing machinery, certain electric-power generation and transmission equipment, electric motors and generators, and electrical household appliances.

[113] U.S. machinery trade with the region is constrained by small-scale commercial markets with limited manufacturing capabilities, distance and the absence of historical trade ties, underdeveloped or inadequate transportation and telecommunications infrastructure and legal systems, unreliable power supplies, shortages of raw materials and skilled manpower, civil strife, and war. Also, regional economic dominance of South Africa and historic economic links to former European colonial powers have served to limit U.S. access of machinery products to these markets. The World Bank, *Adjustment in Africa* (Oxford: Oxford University Press, 1994).

U.S. exports of machinery to Sub-Saharan Africa increased by $52.3 million to $815.3 million in 1997 (6.9 percent). South Africa continued to be the principal market for U.S. exports. However, a decline in U.S. exports to South Africa, and significant growth in U.S. exports to certain other Sub-Saharan countries, such as Angola, Ghana, Nigeria, and Côte d'Ivoire, led to a decline in South Africa's share of overall machinery exports from 63.4 percent in 1996 to 53.0 percent in 1997, shown below:

1997 leading export markets	Million dollars	Percentage of total
South Africa	432.2	53.0
Nigeria	83.2	10.2
Ghana	49.2	6.0
Angola	48.8	6.0
Côte d'Ivoire	26.2	3.2
Others	175.8	21.6
Total	815.3	100.0

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

As shown in the following tabulation, farm and garden machinery, parts, and miscellaneous machinery accounted for approximately 36.1 percent of U.S. exports of machinery to the region during 1997. Exports of the six leading export sectors accounted for $495.6 million, or 60.8 percent of the value of total U.S. machinery exports in 1997. In many instances, there is virtually no local production or assembly of these products, so demand is satisfied principally through imports. Demand for U.S. exports of farm and garden machinery and equipment, especially items such as small hand tractors and implements used by peasant farmers and irrigation equipment for large commercial farms, accounted for 22.5 percent of the value of total U.S. exports of machinery to Sub-Saharan Africa during 1997.

1997 leading sector exports	Million dollars	Percentage of total
Farm and garden machinery	183.2	22.5
Miscellaneous machinery	110.7	13.6
Electric motors and generators	59.4	7.3
Air-conditioning equipment and parts	50.6	6.2
Pumps for liquids	46.0	5.6
Textile machinery and parts	45.7	5.6
Others	319.7	39.2
Total	815.3	100.0

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

Important markets also exist for U.S. exports of textile machinery and equipment, pollution-control equipment, mineral processing and oil-field machinery, electric-power generation equipment, and packaging machinery.[114] Demand for such machinery will continue to grow as the countries of Sub-Saharan Africa rebuild their aging, inefficient infrastructures after 30 years of decline caused by underinvestment, neglect, import restrictions, and war. For example, Mauritius has pledged to invest nearly $2.0 billion through year 2008 in new infrastructure projects.[115] Also, as countries privatize formerly state-owned enterprises and attempt to diversify their industrial base, many factories will require new machinery and equipment to modernize and become internationally competitive.

Demand for imported food-processing and packaging equipment grew as many local companies were forced to upgrade their processing, storage, distribution standards, and the attractiveness of their packaging as these markets were opened to import competition.[116] Demand for imported drilling equipment also expanded with the steady growth and investment in oil, gas, and mineral exploration, and because of droughts in southern Africa that increased the demand for water well drilling.[117] A growing import market also exists for used and reconditioned machinery and equipment, owing to continued fiscal constraints and the relatively low purchasing power of the region's private sector.[118]

Demand for U.S. exports of machinery has increased significantly with the successful implementation of macroeconomic reforms in West Africa following the 1994 devaluation of the Central African Monetary Zone's franc (CFA).[119] According

[114] USDOC, "Leading Sectors for U.S. Exports & Investment," *South Africa, Country Commercial Guides*, 1997, retrieved June 13, 1997, NTDB, found at Internet address http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/1690? south+africa.

[115] U.S. Department of State telegram, "1998 Investment Climate Statement-Mauritius," message reference No. 000396, prepared by U.S. Embassy, Port Louis, Mar. 5, 1998.

[116] USDOC, "Leading Sectors for U.S. Exports & Investment," *Zambia, Country Commercial Guides*, 1997, retrieved June 13, 1997, NTDB, found at Internet address http://www.stat-usa.gov/BEN/inqprogs2/webdocs.cgi/public/ccg/2119? zambia,

[117] U.S. Department of State telegram, "Lesotho Country Commercial Guide 1996/97," message reference No. 0289, U.S. Embassy, Maseru, Feb. 13, 1998.

[118] USDOC, "Leading Sectors for U.S. Exports & Investment," *Congo, Country Commercial Guides*, FY 1997, received June 6, 1997, NTDB, found at Internet address http://www.stat-usa.gov/BEN/inqpogs2/webdocs.cgi/public/ccg /1432? congo.

[119] The countries of the CFA franc area include Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Côte d'Ivoire, Equatorial Guinea, Gabon, Mali, Niger, Senegal, and Togo.

to USDOC, "West Africans increasingly express a preference for diversifying their supply sources and a particular preference for American products. U.S. products are perceived as being of higher quality than European products, plus many West African business people have resided in the United States or are frequent visitors," and have consequently developed a high degree of brand loyalty.[120]

However, U.S. exports continued to be constrained by the ability of European suppliers to offer more favorable credit terms, the difficulty faced by local importers in obtaining adequate foreign exchange, and the limited and costly nature of financing vehicles for U.S. exporters and local importers. On occasion, U.S. exporters are also adversely affected by past trading practices. For example, the Kansas-based Seaboard, Inc. recently announced its intention to acquire a 50-percent controlling interest in the Sangoserv Flour Mill of Luanda, Angola.[121] Seaboard signed a contract with a prominent U.S. machinery and equipment manufacturer to assess the upgrades necessary to modernize and expand the production capacity of the mill. However, Seaboard decided that all equipment and machinery would be purchased from Europe for easier integration into an already existing European flour mill system.

Many Sub-Saharan African governments currently offer programs designed to encourage development of specific high-priority industrial sectors. For example, Malawi suspends customs duties on capital goods imported by exporters and companies manufacturing in-bond, Cameroon exempts firms located in industrial free zones from customs duties and taxes, while others such as Botswana and Nigeria have duty drawback arrangements for the processing and assembly of goods manufactured for reexport.[122]

After increasing from 1995 to 1996, U.S. imports from Sub-Saharan Africa declined by $11.1 million (14 percent) to $68.2 million in 1997. South Africa was the dominant source of U.S. imports of machinery from Sub-Saharan Africa during 1997, accounting for 95.4 percent of total U.S. machinery imports, as shown in the following tabulation:

1997 leading import sources	Million dollars	Percentage of total
South Africa	65.1	95.4
Mauritius	0.8	1.2
Kenya	0.5	0.8
Mozambique	0.3	0.4
Cameroon	0.3	0.3
Others	1.2	1.9
Total	68.2	100.0

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

As shown in the following tabulation, mineral processing machines and miscellaneous machinery were the leading categories of U.S. imports during 1997:

1997 leading sector imports	Million dollars	Percentage of total
Mineral processing machinery	24.0	35.2
Miscellaneous machinery	14.0	20.5
Air-conditioning equipment	4.4	6.5
Taps, cocks, and valves	3.9	5.8
Farm and garden machinery	3.3	4.8
Metal rolling mills	2.6	3.7
Pumps for liquids	2.4	3.5
Industrial food processing machinery	2.4	3.5
Others	11.2	16.5
Total	68.2	100.0

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

U.S. sector trade with Sub-Saharan Africa is likely to increase, albeit slowly, as the region's businesses modernize and upgrade their machinery to gain greater efficiencies and thereby meet the challenges of growing competition from imports. Demand for U.S. exports is also likely to increase, as U.S. exporters become more aware of the potential of the Sub-Saharan market. In 1997, the United States experienced a slight shift in its machinery trade with Sub-Sahara Africa as U.S. exports to South Africa declined, and as U.S. exports to other Sub-Saharan countries grew substantially. Continued support of development projects by the world's leading donor agencies also will likely result in increased demand for U.S. machinery exports.

[120] Frederic J. Gaynor and Margaret Hanson-Muse, "West Africa—the Newest of the Emerging Markets," *Business America*, Jan/Feb 1997, received by Proquest, retrieved June 2, 1998.

[121] U.S. Department of State telegram, "Angola: U.S. Company Set to Purchase Fifty Percent Stake in Flour Mill," message reference No. 001425, prepared by U.S. Embassy, Luanda, May 4, 1998.

[122] U.S. Department of State telegram, "Cameroon 1998 Investment Climate Statement," message reference No. 003253, U.S. Embassy, Yaounde, May 15, 1998; and U.S. Department of Commerce, *Botswana, Country Commercial Guide*, July 1997, found at Internet address http://www.stat-usa.gov, retrieved, June 9, 1998.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

The dutiable value of imports of machinery and equipment from Sub-Saharan Africa declined by $5.9 million (43.2 percent) to $7.8 million in 1997. As a percentage of total imports, the dutiable value of imports declined from 17.3 percent in 1996 to 11.4 percent in 1997. South Africa, the leading source of dutiable imports, accounted for 66.8 percent, or $5.2 million of dutiable imports in 1997. The ATWT on dutiable U.S. imports of machinery from Sub-Saharan Africa declined from 2.3 percent AVE in 1996 to 2.2 percent in 1997. The ATWT on imports from South Africa declined from 2.1 percent AVE in 1996 to 1.6 percent in 1997.

The West African Economic and Monetary Union (UEMOA) customs and monetary union was successfully launched during 1997.[123] At a January 1998 meeting, members agreed to implement both a progressive reduction of their import duties and a four-tiered common external tariff by July 1998.[124] UEMOA member Senegal announced in April 1998 that it would reduce its tariffs on all products, including capital equipment. Rwanda also announced in 1998 that it would simplify and lower its customs duties, using a three-tiered system with a maximum rate of 40 percent and a minimum rate of 10 percent.[125]

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

U.S. Policies

Duty-free imports of machinery and equipment under the GSP program from Sub-Saharan Africa decreased by $4.4 million (7.5 percent) during 1996-97, to $53.8 million. South Africa dominated GSP imports during 1997, accounting for $53.7 million, or 99.7 percent of the sector total from the region. Mineral processing machinery and miscellaneous machinery were the two leading GSP sector imports from South Africa in 1997, as shown below:

1997 leading sector GSP imports	Million dollars	Percentage of total
Mineral processing machinery	23.6	43.9
Miscellaneous machinery	12.1	22.5
Air-conditioning equipment	3.8	7.1
Taps, cocks, and valves	3.2	5.9
Metal rolling mills	2.5	4.7
Others	8.4	15.7
Total	53.7	100.0

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

The Eximbank, TDA, and OPIC sponsored new projects that could possibly generate demand for U.S. machinery and equipment. In 1997, the Eximbank supported $217.0 million in exports to Sub-Saharan Africa. Among the projects approved during 1997-98 were extension of a $23.3 million loan to Moving Water Industries (Deerfield Beach, FL) for the sale of water drilling equipment and pumps to the Ministry of Finance of Zimbabwe; a loan for $88.0 million toward financing a $200 million oil and gas production project in Angola; and funding ranging between $5.0 and $20.0 million to insure the sale of aluminum extrusion and anodizing plant equipment to Eastern Alloys Co, Ltd. of Accra, Ghana.[126] Grants for feasibility studies sponsored by the TDA for Sub-Saharan Africa that could lead to future machinery and equipment exports during FY 1997-98 include the projects listed in table 4-3.

Multilateral Lending

Opportunities exist for machinery sales in a number of assistance projects financed by various donor agencies. These agencies have sponsored projects that could potentially generate additional demand for U.S. exports. Grants, credits, and loans approved for projects in Sub-Saharan Africa by the World Bank during 1997-98 included $75.0 million from the World Bank's International Bank of Reconstruction and Development (IBRD) toward rehabilitation of Zimbabwe's Gwambe-Tonga

[123] UEMOA members are Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo.

[124] U.S. Department of State telegram, "IMI, UEMOA's Tariff Reductions: Senegal," message reference No. 002680, prepared by U.S. Embassy, Dakar, Apr. 16, 1998.

[125] U.S. Department of State telegram, "1998 Investment Climate Statement-Rwanda," message reference No. 000796, prepared by U.S. Embassy, Kigali, Feb. 19, 1998.

[126] Export-Import Bank of the United States, Meeting of the Board of Directors, Summary of Minutes, Mar. 4, 1997, and Sept. 8, 1997, found at Internet address http://www. exim.gov, retrieved May 27, 1998; and U.S. Department of State, Bureau of African Affairs, *U.S. Assistance and Debt Relief in Sub-Saharan Africa*, found at Internet address http://www.state.gov, retrieved May 27, 1998.

Table 4-3
Selected TDA-sponsored projects, FY 1997-98

Country	Type of project	TDA commitment (dollars)
Côte d'Ivoire	Fruit processing plant	84,000
Namibia	Development of a private grain handling facility	65,000
Senegal	Construction of a 90 Mw power plant near Dakar	433,000
Senegal	Solid waste management system for Dakar	180,000
South Africa	Makhatini Flats Sugar Milling facility	150,000
South Africa	Gauteng Province solid waste management and recycling program	324,000
South Africa	Cape Town solid waste management project	279,000
South Africa	5 water supply projects in the Nkomazi area water supply system	Not reported
South Africa	Coalbed methane production and utilization project	137,000
South Africa	Richards Bay Dry Dock project	146 million
South Africa	Peacock Bay Hazardous Waste Incinerator project	Not announced
Uganda	Kakira Sugar Works Electricity cogeneration project1	75,000
Uganda	Development of a bagasse fired cogeneration system for a flour mill	Not announced
Zambia	Rehabilitate and expand hydroelectric power	Not announced

Source: U.S. Trade and Development Agency, "Promoting Economic Cooperation Between the U.S. and Africa, TDA Projects," found at Internet address http://www.tda.gov, retrieved May 27, 1998.

electric-power generating facility; partial funding for the $8.0 billion Lesotho Highland Water Project (one of the world's largest infrastructure projects;[127] $75.0 million to rehabilitate and expand the capacity of Zambia's electric power supply; a $12.4 million loan to the Government of Mauritius for a sewage and sanitation project; a $200 million credit for an electric energy development project in Ethiopia; and a loan to cover the payment for completion of construction of a 10,000-cubic-meter water reservoir, pump station, pumping main, and ancillary project in Zimbabwe's Rutendo Township.[128]

During 1997, AfDB agreed to assist several of the region's governments with purchases of machinery and equipment through loans and credits.[129] Recently, the AfDB received $3.0 billion in soft loans from donor countries to fund water-development projects through 1998.[130] Loans, credits, and grants sponsored during 1997-98 include the projects listed in table 4-4. Sub-Saharan Africa also received assistance both from international organizations such as the European Investment Bank and the Nordic Development Fund, and from the development agencies of Germany, France, Canada, Japan, and others. The Nordic Development Fund participated in projects valued at nearly $216.0 million in more than 11 different Sub-Saharan African counties during 1997.[131]

In 1997, Uganda received $17.0 million from Norway to increase the capacity of its Owen Falls electric-power generation plant and $31.0 million from Germany for water supply and sanitation projects.[132]

Electronic Products[133]

Overview

Electronic products accounted for 12.7 percent of all U.S. exports to Sub-Saharan Africa in 1997, and for 0.2 percent of total U.S. imports from the region. 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 with the region, which increased by $61.4 million (9.1 percent) to $738.1 million in 1997.

[127] U.S. equipment suppliers and contractors have not played a prominent role in the initial phases of this project because of the highly competitive financing packages offered by their competitors from Europe and South Africa. U.S. Department of State telegram, "Lesotho Country Commercial Guide 1996/97," message reference No. 0289, prepared by U.S. Embassy, Maseru, Feb. 13, 1998.

[128] USDOC, "Zimbabwe-Reservoir Construction Project," *Market Research Report*, Jan. 5, 1998, NTDB, found at Internet address http://www.stat-usa.gov, retrieved June 6, 1998.

[129] NTDB and Economic Bulletin Board, at Internet address http://www.stat-usa.gov/BEN/inqprogs2 /webdoc.cgi/public /tophis, found at Internet address http://www.stat-usa.gov, retrieved June 6, 1998.

[130] USDOC, "Africa-Water Projects," *Market Research Reports*, NTDB, found at Internet address http://www.stat-usa.gov/BEN/inqprogs2/webdoc.cgi/public/ market/6337?zimbabwe, retrieved June 13, 1997.

[131] The Nordic Development Fund, found at Internet address http://www.nd.fi.

[132] USDOC, "Uganda-Economic News," *Market Research Reports*, June 23, 1997, found at Internet address http://www.stat-usa.gov, retrieved June 23, 1998.

[133] The electronics sector encompasses a broad range of products, including computers and peripherals, semiconductors, electronic components, recorded media,

Table 4-4
Selected AfDB-sponsored projects, 1997-98

Country	Project	Value (Million UA)
Cameroon	Water supply and sanitation study	0.8
Benin	Rural electrification program	1.1
Burkina Faso	Hydroagricultural rehabilitation study	1.5
Djibouti	Water supply study	0.5
Eritrea	Fisheries infrastructure development project	7.0
Guinea	Sanitation studies for several towns	0.8
Kenya	Ewaso Ng'iro North River catchment and water resources management study	1.1
Kenya	Construction and operation of an engine rebuilding and testing center	0.9
Madagascar	Tulear Town protection levee project	6.9
Malawi	Potable water for 13 district centers	
Mauritius	Electricity transmission project	9.6
Sierra Leone	Irrigation projects	1.7
Tanzania	Monduli rural water supply project	0.8
Tanzania	Dar-es-Salaam water supply project	26.0
Uganda	Rehabilitation and operation of a glass container and tableware factory	5.8
Zambia	Rehabilitation of the Kitwe water supply	17.2
Zimbabwe	Project to improve electricity distribution	57.0

[1] Unit of Account (UA) is equivalent to $1.50.

Source: The AfDB, found at Internet address http://www.afdb.org.

U.S. trade data may give an inaccurate account of actual trade patterns in this sector for several reasons. Informal imports to Africa may represent a significant value of trade that is not recorded in the trade statistics. U.S. electronic products are sometimes shipped to a customer in the EU, and then to Sub-Saharan African countries for resale. For example, many U.S. electronic products are imported into Senegal by way of France. In addition, Sub-Saharan African countries with significant seaport and airport facilities may be listed as the port of destination, but a large share of exports to those countries may then be shipped to other Sub-Saharan African countries lacking major port facilities. U.S. import statistics from Sub-Saharan Africa for high-technology products such as computer hardware and telecommunications equipment are usually the result of goods returned for repair, transshipments to other nations, and misclassified country codes on importation documents.

During 1993-97, U.S. exports of electronic products to Sub-Saharan Africa expanded at an average annual rate of 4.5 percent, despite a decline during 1995-96. The growth in exports during the period was driven primarily by private- and public-sector efforts to improve computer networks and communication infrastructures. South Africa is the largest market for U.S. products within Sub-Saharan Africa, accounting for 69.3 percent of total U.S. exports of electronics in 1997. The other leading export markets in 1997 are shown in the following tabulation:

1997 leading export markets	Million dollars	Percentage of total
South Africa	533.5	69.3
Nigeria	39.1	5.1
Angola	22.8	3.0
Zimbabwe	17.1	2.2
Ghana	15.2	2.0
Others	141.7	18.4
Total	769.4	100.0

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

U.S. exports to Sub-Saharan Africa increased by $40.3 million (5.5 percent) during 1996-97 to $769.4 million. The countries to which U.S. exports increased the most were South Africa, increasing by $22.3 million (4.4 percent) to $533.5 million; Mauritius, by $8.3 million (168.9 percent) to $13.2 million; and Zimbabwe, by $5.6 million (49.0 percent) to $17.1 million. U.S. exports to the top 13 Sub-Saharan Africa export markets rose in every case but that of Ghana, where exports declined by $6.5 million (29.9 percent) to $15.2 million.

The largest U.S. export categories in 1997 were automatic data processing (ADP) machines (31.5 percent of sector U.S. exports to the region),

[133]—*Continued*
consumer electronics, telephone and telegraph apparatus, office equipment, optical fibers, photographic equipment, navigational and surveying instruments, medical equipment, and watches and clocks.

drawing and mathematical calculating or measuring instruments (drawing instruments) (11.7 percent), radio apparatus (11.4 percent), and medical goods (9.8 percent). Radio apparatus and ADP machine exports, which increased by 40.9 percent ($25.4 million) and 10.1 percent ($22.3 million), respectively, experienced the greatest increases. The products with the greatest decreases were prerecorded media, office machines, and surveying and navigational instruments, exports of which decreased by 25.7 percent ($13.8 million), 28.9 percent ($4.6 million), and 15.7 percent ($4.3 million), respectively. The regional need for improved telecommunications and computing power, industries in which the United States is a global leader, is likely to be responsible for increased U.S. exports to Sub-Saharan Africa. In 1997, U.S. exports to South Africa, the most technologically advanced of the Sub-Saharan countries, accounted for 75.2 percent of ADP machines, 29.0 percent of radio apparatus, and 75.3 percent of drawing instruments exported to Sub-Saharan Africa.

U.S. imports of electronic products from Sub-Saharan Africa, consisting primarily of various types of ADP machines and parts,[134] optical goods, and measuring, testing, controlling, and analyzing instruments, decreased by $21.1 million (40.3 percent) to $31.3 million during 1996-97. More than $3.9 million of these imports in 1997, or more than 12 percent, were reported inaccurately, and were actually imported from other countries and regions.[135] U.S. imports of electronic products are relatively insignificant, reflecting the lack of production of electronic products in Africa.[136] South Africa, Mauritius, Kenya, Côte d'Ivoire, and Cameroon are the largest suppliers of electronic products to the United States, accounting together for 86.6 percent of total U.S. imports from the region in 1997, as shown in the following tabulation:

1997 leading import sources	Million dollars	Percentage of total
South Africa	13.1	41.9
Mauritius	7.2	23.0
Kenya	4.5	14.2
Côte d'Ivoire	1.3	4.2
Cameroon	1.0	3.2
Others	4.2	13.4
Total	31.3	100.0

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

Imports from Côte d'Ivoire recorded the greatest decline during 1996-97, 89.5 percent ($11.2 million), followed by Mauritius, with a decline of 53.5 percent ($8.3 million). The largest increases in imports were radio transmission and reception apparatus, which rose by 110.6 percent ($1.8 million) and medical goods, which grew by 171.5 percent ($0.8 million). The import category that decreased the most was office machines, which fell by 95.7 percent ($10.7 million), reflecting an apparent decrease in imports from Côte d'Ivoire. Such a decrease in imports from Côte d'Ivoire is likely due to the correction of data coding by the U.S. Census Bureau, when it was determined that imports from China had been identified as imports from Côte d'Ivoire.[137]

Included among the principal factors that affected U.S.-Sub-Saharan African sectoral trade in 1997, are reductions in U.S. tariffs resulting as agreed during the URA in 1994. Also, in some Sub-Saharan African countries, tariffs were reduced and tariff schedules restructured, leading to lower duty rates. GSP continued to be the only major U.S. policy to affect trade in electronic products with Sub-Saharan Africa. Within the region, the countries are focusing on improving infrastructure with projects that will require electronic equipment, primarily telecommunications and data processing, and medical equipment.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

The nominal ATWT for electronics imported from Sub-Saharan Africa decreased from 3.6 percent AVE in 1996 to 2.5 percent AVE in 1997, as a result of the staging agreed on during the Uruguay Round Agreements in 1994. The ATWT in three of the top four major source countries declined, while Kenya experienced a slight increase, reflecting a shift in

[134] Industry representatives report that there is no production of computer hardware in African countries. U.S. imports from Africa, as recorded in the trade data, are likely the result of goods returned for repair, transshipments to other nations, and misstatement of country codes on importation documents. For instance, the import code for Korea is similar to that of Kenya, the code for Malaysia is similar to that of Mauritius, and the code for Côte d'Ivoire is similar to that of China. USITC staff telephone interviews, June-July 1998.

[135] USITC staff telephone conversations with importers, June-July 1998.

[136] Production of electronic products in South Africa, the most technologically advanced country in Sub-Saharan Africa, accounted for 0.1 percent of world production in 1997. Reed Electronics Research, *Yearbook of World Electronics Data 1998* (Surrey: Reed Business Information Ltd.), 1998.

[137] USITC, *U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy,* USITC publication 3067, Oct. 1996, p. 4-33.

product mix to imports with higher duty rates, rather than an increase in tariffs.[138]

Several Sub-Saharan African countries have restructured or lowered their tariffs on electronic products. In Zimbabwe, regardless of tariff reductions, electronics and batteries are among the goods facing the highest duties.[139] Nigeria continued its 25-percent tariff reduction,[140] and members of the Common Market for Eastern and Southern Africa (COMESA)[141] agreed to cut tariffs up to 80 percent.[142] Senegal and Kenya approved new tariff rates, with a maximum rate of 25 percent,[143] effective June 1997 and July 1998, respectively. South Africa has reduced overall tariffs from 20 percent to 12 percent and eliminated duties on individual items such, as instant-print cameras and telephone sets.

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

U.S. Policies

The only trade policy with a significant effect on electronics imports from Sub-Saharan African countries continues to be the Generalized System of Preferences (GSP).[144] Sector imports under GSP rose $1.7 million (15 percent) to $13.0 million during 1996-97, and increased as a share of total sector imports from 21.5 percent to 41.6 percent. Imports of optical goods accounted for 36.1 percent of total imports under GSP, of which Mauritius accounted for 83.8 percent. South Africa and Mauritius accounted for 62.3 percent and 30.4 percent of GSP trade in 1997, respectively, as shown below:

1997 leading GSP import sources	**Million dollars**	**Percentage of total**
South Africa	8.1	62.3
Mauritius	4.0	30.4
Madagascar	0.7	5.7
Kenya	0.1	1.1
Senegal	([1])	0.2
Others	([1])	0.3
Total	13.0	100.0

[1] Less than $50,000.

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

Policy Developments in Sub-Saharan Africa

Many Sub-Saharan African countries have adopted policies, initiatives, or budget allocations that are expected to affect trade in telecommunications, computers, health care and public safety equipment (table 4-5). Also, U.S. objections to the lack of protection for intellectual property, including computer software, is leading Sub-Saharan African countries to adopt stricter measures to protect intellectual property rights (IPR).

Lack of protection of IPR in South Africa has led to trade friction with the United States. For example, the Counterfeit Goods Act, passed by South Africa in September 1997, prohibits trade in counterfeit or pirated goods. However, the South African police are so overwhelmed with rising crime that consistent enforcement has been difficult.[145] One U.S. firm estimates that about 50 percent of computer software is pirated, and similar estimates are made for recorded music and videos.[146] Although South Africa was provisionally removed from the Office of the U.S. Trade Representative's (USTR) Special 301 Watch List[147] in April 1996, however. USTR announced in

[138] The nominal ATWT for electronics imported from Kenya, the third-largest source of electronic products in Sub-Saharan Africa, rose from 3.1 percent to 3.2 percent and total imports increased by 17.1 percent, while dutiable imports declined by 18.7 percent.

[139] Business Times Online, "Zimbabwe Hits Back at SA in New Trade Regime," Feb. 16, 1997, found at Internet address http://www.btimes.co.za/97/0216/news/news1.htm, retrieved June 30, 1998.

[140] U.S. Department of Commerce (USDOC), "Nigeria - Review of Customs And Excise Tariff - IMI980123 Market Research Reports," Stat-USA, Internet address http://www.stat-usa.gov, July 9, 1998.

[141] COMESA members are Angola, Burundi, Comoros, Congo (Kinshasa), Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

[142] Africa Business Daily, "COMESA Agrees to Major Tariff Reductions," July 2, 1998, found at Internet address http://www.marekinc.com/ABD070298.html, retrieved July 9, 1998.

[143] USDOC, "Africa - Tariff Revision - IMI980416 Market Research Reports," http://www.stat-usa.gov/, Internet address July 9, 1998.

[144] Office of the President, "President's Partnership for Economic Growth and Opportunity and African Growth and Opportunity Act," found at Internet address http://www1.whitehouse.gov/Africa/growth.html, retrieved June 30, 1998. All Sub-Saharan African countries are eligible for preferential duty treatment under GSP except Eritrea, Gabon, Liberia, Mauritania, Nigeria, and Sudan, although Eritrea is in the GSP application process.

[145] Office of the U.S. Trade Representative (USTR), "1998 National Trade Estimate," Internet address http://www.ustr.gov/reports/nte/1998/contents.html, retrieved July 22, 1998, p. 363.

[146] Ibid.

[147] Special 301, an amendment to U.S. trade law created in 1988, allows the U.S. Government to respond to inadequate or ineffective protection of IPR with penalties under Section 301 of the Trade Act of 1974. The annual review of foreign-country practices required by the amendment is known as a Special 301 annual review.

Table 4-5
Electronic Products: Policy developments in Sub-Saharan Africa

Equipment Sector	Development
Telecommunications	Plans underway for expansion of telephone, computer, and (in some cases) broadcast networks in nearly all countries. Privatization in South Africa and authorization of multiple service providers in Côte d'Ivoire and Ghana. Government/private-sector alliances in Cape Verde, Côte d'Ivoire, Guinea-Bissau, and Tanzania.
Computers	Several countries are taking steps to increase computer use. Nigeria is developing a national computer strategy. Senegal and Nigeria have authorized multiple Internet service providers. The Gambia was the first of 12 African countries to benefit from a UN program to promote development of the Internet as a means of regional development.
Health/Medicine	Several countries have committed resources to improve health-care infrastructures. Nigeria provided an additional $138 million (a 62.5-percent increase) for rehabilitation and upgrades of existing infrastructure in 1997, with the goal of providing universal health care by the year 2000. South Africa is building new regional hospitals. Botswana plans to upgrade district hospitals.
Security/Safety	Increased spending on security and safety measures is planned in several countries. For example, Côte d'Ivoire, e.g., plans to double its police force by 2003, increasing demand for equipment, and in South Africa, the growing crime rate is prompting the business community to pressure government to take more crime reduction measures.
Miscellaneous	Plans to upgrade airport facilities in Mauritius, Swaziland, Botswana, and South Africa are likely to increase demand for navigational equipment, x-ray baggage screening equipment, and communications and computer equipment.

Source: Various country reports from Tradeport, found at Internet address http://www.tradeport.org, retrieved July 7 and 8, 1988; and U. S. Department of State telegram, "South Africa: Investment Climate Statement," reference No. 007628, prepared by U.S. Embassy, Pretoria, Aug. 4, 1997.

1998 that changes in South Africa's trademark law are needed to bring it into compliance with its international obligations.[148]

Kenya is amending its intellectual property laws to better conform to the guidelines of the World Intellectual Property Organization, the Trade Related Aspects of Intellectual Property Rights Agreement, and other international conventions. Kenya's Industrial Property and Trademark Acts are scheduled to be amended in 1998. Kenya's existing Copyright Act prohibits the unlicensed copying of audio and video recordings, but is seldom enforced.

Multilateral Lending

Several donor agencies are providing financing to help develop Sub-Saharan Africa. The African Development Bank (AfDB) committed about $2 billion in new development resources in 1997. Projects covered include telecommunications infrastructure specifically, but also general infrastructure improvements, all of which should lead to increased opportunities for U.S. producers of electronic products. In Mozambique and Uganda, the World Bank, the AfDB, and other donor agencies finance most major infrastructure projects, including telecommunications, education, and health care. The World Bank is funding telecommunications privatization programs with Togo, Cape Verde, and Congo (Brazzaville). International donors are also funding the $250-million rehabilitation and expansion of the telephone network in Tanzania.

Transportation Equipment[149]

Overview

The transportation equipment sector continued to be the principal supplier of U.S. exports to Sub-Saharan Africa in 1997, accounting for 28.5 percent of total U.S. exports to the region. However,

[148] USTR, *Acting USTR Barshefsky Announces Results of Special 301 "Out-of-Cycle" Reviews*, Dec. 20, 1996,found at Internet address *http://www.ustr.gov/releases/1996/12/96-99.html*, retrieved July 23, 1998.

[149] The transportation equipment sector includes motor vehicles and motor-vehicle parts; aircraft and spacecraft; railroad locomotives and rolling stock; ships, tugs, and pleasure boats; construction and mining equipment; miscellaneous vehicles; and engines.

the sector's ongoing trade surplus with Sub-Saharan Africa recorded only a slight improvement, increasing by $12.0 million (0.7 percent) to $1.6 billion during 1996-97. The marginal improvement in the trade surplus reflected a slowdown in U.S. exports to the region, which rose by $21.0 million (1.2 percent) to $1.7 billion (as compared with a $524.7 million, or 44.4 percent, increase in 1996). Those exports largely consisted of construction and mining equipment, general aviation aircraft, motor vehicles, and automotive products. Three-fourths of sector exports were shipped to the following five leading Sub-Saharan African markets:

1997 leading export markets	Million dollars	Percentage of total
South Africa	617.1	35.7
Nigeria	377.6	21.9
Angola	128.1	7.4
Kenya	105.9	6.1
Ghana	82.8	4.8
Others	416.5	24.1
Total	1,727.9	100.0

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

South Africa remained the major U.S. export market during 1997, accounting for 35.7 percent of total transportation equipment exported to Sub-Saharan Africa. The principal products exported to South Africa included construction and mining equipment, general aviation aircraft, aircraft parts, motor-vehicle parts, and both light-weight and heavy-duty trucks. Of those products, general aviation aircraft recorded the most significant increase, rising by $12.8 million (8.2 percent) to $167.3 million, attributed to expanding demand for the aircraft needed to accommodate South Africa's expanding tourism industry, coupled with increased business travel to that country. In 1997, South Africa took delivery of several Boeing 777-200 twinjets and 747-400 jumbo jetliners having a combined total value of approximately $1.3 billion.[150] Nigeria and Angola, the other principal export markets, accounted for 21.9 percent and 7.4 percent, respectively, of transportation equipment exported to Sub-Saharan Africa in 1997. U.S. exports to those countries consisted primarily of construction and mining equipment. Nigeria and Angola also were important export markets for general aviation aircraft, passenger vehicles, trucks, and motor-vehicle parts.

Of the five leading U.S. export markets, transportation equipment exported to Kenya (the fourth-largest market) and Nigeria (the second-largest market) recorded the most significant increases, rising by $83.2 million (365.9 percent) and $50.1 million (15.3 percent), respectively. Increased demand for general aviation aircraft and aircraft engines were the principal reasons for the rise in exports to Kenya, while rising demand for aircraft engines and internal-combustion piston engines contributed to the increase in exports to Nigeria. The largest declines were recorded by Ghana (the fifth-largest market) and Angola (the third-largest market). Transportation equipment exported to those two countries fell by $16.6 million (16.7 percent) and $6.3 million (4.7 percent), respectively. A drop in demand for aircraft engines, internal combustion engines, and marine-craft was mainly responsible for the decline in U.S. exports to both countries.

U.S. imports of transportation equipment from Sub-Saharan Africa rose by $9.0 million (12.7 percent) to $79.9 million in 1997. Virtually all of the imports were from South Africa, which accounted for 97.3 percent of sector imports in 1997:

1997 leading import sources	Million dollars	Percentage of total
South Africa	77.8	97.3
Mauritius	1.1	1.3
Swaziland	0.2	0.3
Zimbabwe	0.2	0.3
Seychelles	0.1	0.2
Others	0.5	0.6
Total	79.9	100.0

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

U.S. imports of transportation equipment from South Africa increased by $14.5 million (23.0 percent) to $77.8 million in 1997. The principal products imported from that country included motor vehicle parts, construction and mining equipment, and general aviation aircraft. South Africa's automotive industry also continued to be a principal source of automobiles and component parts for certain global automotive producers during 1997. Both Ford Motor Company and Volkswagen AG sourced products from South Africa during the period.[151] In addition, Volkswagen will become the largest automaker in South Africa when it doubles its Golf automobile production and ships an anticipated 68,000 vehicles to the United Kingdom over the next 2 years.[152] The increase in automotive production by Volkswagen will create 1,000 additional jobs at its South African

[150] Boeing, "South African Airways to Purchase Boeing 777s and 747s," found at Internet address http://www.boeing.com/news/releases/1995/news.release.951103.html, retrieved June 18, 1998.

[151] Wards Automotive International, *"South Africa's Supply Business Booming,"* June 1998, p. 3.

[152] Ibid.

facility. The South African Motor Corporation (SAMCOR) was recently awarded an 8-year contract to supply automotive engines to Ford Motor Company for use in international markets.[153] Reportedly, the 1.6 billion rand ($313.1 million) contract with SAMCOR produces 55,000 engines annually for Ford and will generate 200 million rand ($39 million) in annual export earnings. In 1997, General Motors Corporation (GM) returned to South Africa by buying a 49-percent share of Delta Motor Corporation of South Africa. Delta continued to assemble Opel and Isuzu vehicles, but currently works with GM to develop new projects and export South African-made components and vehicles.[154]

Improved trade policies and reformed tariff systems in Sub-Saharan African countries resulting largely from WTO commitments continue to strengthen economic growth and stimulate business reform throughout the region. Privatization and restructuring of certain business entities enhance foreign investment, business travel and tourism, and provide a basis for seeking the latest in product technology and advancements in research and product development. Currently, however, virtually all transportation equipment imported by the United States from Sub-Saharan Africa under the GSP comes from South Africa. The U.S. Trade Development Agency and the World Bank also enhance economic conditions in Sub-Saharan African countries by promoting U.S. investment through export promotion programs and monetary loans.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

The ATWT rate for transportation equipment imports declined from 3.0 percent AVE in 1996 to 2.3 percent AVE in 1997, primarily in adherence to WTO commitments. Imports from Sierra Leone had the highest ATWT in the region, with an AVE of 7.9 percent, followed by those from Côte d'Ivoire (an AVE of 7.6 percent) and Swaziland (4.2 percent). The dutiable value of U.S. imports of transportation equipment from Sub-Saharan Africa grew by $9.6 million (45.9 percent) to $30.5 million. South Africa accounted for $29.2 million (95.7 percent) of the dutiable value of such imports in 1997. Certain Sub-Saharan countries such as Malawi are concerned that tariff reductions under WTO agreements will erode current preferential margins existing under the GSP, the Lomé Convention, and other multilateral and bilateral trade programs.[155]

South Africa is reforming its tariff regime, a system inherited from apartheid-era governments.[156] As South Africa's Department of Trade and Industry forges ahead with liberalizing trade policies, however, certain industries have sought to have tariffs increased to GATT-binding levels. For most of these industries, however, the applications for tariff increases have been rejected, except for industries deemed by the Government to be sensitive to imports and to require certain considerations. For example, tariffs on automotive products will be reduced over an 8-year period between 20 and 40 percent. Thus, tariffs on passenger cars and light trucks will be reduced to 40 percent ad valorem by the year 2002, while tariffs on medium and heavy trucks will be lowered to 20 percent ad valorem by the year 2000.[157] The current rates are 54 percent ad valorem for passenger cars and light trucks, and 28 percent ad valorem for medium and heavy trucks.[158] South Africa also assesses a 14 percent valued-added tax and a 40 percent excise tax on motor vehicles. The South African Government eliminated the import surcharge on all goods in conformity to its WTO commitments.[159]

In 1995, Nigeria announced a new tariff revision, which was to be implemented during the following 5-year period.[160] Reportedly, the revision was intended to narrow the range of tariffs, increase tariff rate coverage in line with WTO provisions, and incorporate fewer import restrictions. As the new revisions became effective, the tariffs imposed on passenger vehicles were increased from 30 percent ad valorem to 100 percent ad valorem. In January 1997, however, a 25-percent, across-the-board reduction in tariffs became effective.[161] For passenger vehicles, the tariffs were reduced to 75 percent ad valorem.

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[153] Ibid.
[154] Ibid.

[155] U.S. Department of State cable, "Southern African Development Community," message reference No. 002639, June 1998.
[156] USDOC, "South Africa: Trade Regulations & Standards," *Country Commercial Guides*, found at Internet address http://www.stat-usa.gov/ben/inqpro, retrieved June 19, 1998.
[157] Ibid.
[158] "South African Customs & Excise Tariffs, Chapter 87 Index, Vehicles (Excluding railway or Tramway Rolling-Stock) and Parts and Accessories Thereof," found at Internet address http://rapidttp.com/tariff/87/index.html, retrieved June 24, 1999.
[159] USDOC, "Trade Regulations & Standards," *South Africa, Country Commercial Guides*, found at Internet address http://www.stat-usa.gov/ben/inqpro, retrieved June 19, 1998, p. 1.
[160] USDOC, *1997 Country Report on Economic Policy and Trade Practices: Nigeria*, found at Internet address http://www.stat-usa.gov, retrieved June 24, 1998, p. 5.
[161] Ibid.

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

U.S. Policies

Transportation equipment imported from Sub-Saharan Africa under the GSP program rose by $3.2 million (8.7 percent) to $40.0 million in 1997, which represented one-half of sector imports during the period. South Africa remained the principal beneficiary of this special import provision, accounting for virtually all (99.9 percent) GSP imports from the region. Motor vehicle parts registered the largest increase in 1997, with GSP imports of those products rising by $3.9 million (14.8 percent) to $30.5 million. Another significant gain was recorded in GSP imports of internal combustion piston engines, which rose by $1.6 million (94.2 percent) to $3.3 million. In contrast, railroad locomotives and rolling stock recorded the largest decline in GSP imports, falling by $1.9 million (51.3 percent) to $1.8 million.

In 1997, Bell Equipment, Ltd. (a South African manufacturer of heavy equipment) and Bell Equipment North America, Inc. (an affiliated U.S. distributor) sought to have U.S. imports of off-road dump trucks from South Africa designated to enter the United States duty-free, under provisions of the GSP program.[162]

The United States' interest in actively promoting U.S. investment in Sub-Saharan Africa offers U.S. manufacturers of transportation equipment a greater chance to expand export capabilities. Since the signing of its first grant in 1981, the U.S. Trade and Development Agency (TDA) has invested nearly $60 million in feasibility studies and other activities designed to encourage exports and economic development in Africa.[163] Recent transportation equipment projects in Sub-Saharan Africa in which TDA has been involved include acquisition of marine-craft by purchasers in Côte d'Ivoire; feasibility construction studies conducted for constituents in Ethiopia, Eritrea, Mozambique, Namibia, South Africa, Uganda, Zambia, and Zimbabwe; and construction projects carried out in Côte d'Ivoire and Mauritius.[164] While TDA's principal activity involves funding feasibility studies, it also conducts orientation visits and conferences which have proven to be effective measures for linking African decision makers with U.S. businesses.

[162] Transcript of hearing, USITC investigation No. 332-383, *Advice Concerning Possible Modifications to the Generalized System of Preferences*, Oct. 21, 1997, pp. 91-95.

[163] TDA, "Promoting Economic Cooperation Between the U.S. and Sub-Saharan Africa," TDA Brief, Apr. 1998.

Policy Developments in Sub-Saharan Africa

During 1997, several Sub-Saharan countries continued privatization initiatives in the transportation equipment sector. Table 4-6 summarizes the policy developments in this sector.

Multilateral Lending

Efforts to improve the basic infrastructure of the Sub-Saharan Africa region, aided by multilateral lending, should provide a growing market for U.S. exports of certain types of transportation equipment, particularly construction equipment. The financial assistance provided by the World Bank, IMF, and AfDB are vital to the successful economic growth of the region. The U.S. Department of the Treasury is expected to continue urging these lending institutions to work closely with newly formed private businesses.[165]

Miscellaneous Manufactures[166]

Overview

Although U.S. trade with Sub-Saharan Africa is increasing for products classified as miscellaneous manufactures, the region continued to be a relatively minor trading partner for the United States in 1997. The modest $6.0 million U.S. trade surplus in 1996 was reversed in 1997, when a $10.6 million trade deficit was posted. Strong growth in U.S. imports in 1997, which rose by $28.9 million (49.6 percent) to $87.3 million, exceeded a moderate growth in exports by $12.4 million (19.3 percent) to $76.7 million.

[164] Ibid.

[165] This may be accomplished by expanding lending privileges to the private sector, instituting cofinancing of infrastructure projects, and providing financial assistance to microenterprises. USDOC, "Federal Trade Report," *Africa, Market Research Report*.

[166] 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.

Table 4-6
Transportation Equipment: Policy developments in Sub-Saharan Africa

Country	Development
Cameroon	Full privatization of national airline and shipping line expected by mid-1999. Foreign investment agreement with China to build a tractor assembly plant.
Côte d'Ivoire	Market liberalization has increased U.S. exports of new cars, tractors, and mining equipment.
Mozambique	Management of all port and rail systems is slated for privatization through long-term concession arrangements. U.S. investment is facilitating construction of a $300 million toll road.
South Africa	Government is privatizing nonstrategic transportation equipment companies, airports, and Sun Air airlines. Strategic partnerships between several airlines and foreign companies.

Source: Various issues of *Best Market Report FY 98*, found at Internet address http://www.stat-usa.gov, retrieved June 30, 1998.

Many countries in Sub-Saharan Africa continue to impose relatively high tariffs, fees, or quantitative restrictions on products in the miscellaneous manufactures sector to discourage imports and save limited foreign-exchange reserves for imports of food, machinery, industrial products, and other more essential inputs. U.S. exports to Sub-Saharan Africa of sector products thereby continue to be diminutive. As in 1996, the primary market for U.S. exports of these products in 1997 was South Africa, accounting for 68.1 percent of total sector exports to Sub-Saharan Africa, as shown below:

1997 leading export markets	Million dollars	Percentage of total
South Africa	52.2	68.1
Ghana	7.4	9.7
Angola	2.5	3.3
Nigeria	2.0	2.6
Kenya	1.7	2.2
Others	11.0	14.3
Total	76.7	100.0

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

Major sector exports to South Africa in 1997 were sporting goods, primarily golf clubs and exercise equipment ($23.9 million); furniture and selected furnishings ($9.1 million); arms and ammunition, principally cartridges and empty cartridge shells ($8.9 million); games and fairground equipment ($7.9 million); and prefabricated buildings ($6.0 million). Between 1996 and 1997, U.S. exports of sporting goods showed the greatest growth, increasing by $10.4 million (76.7 percent), followed by arms and ammunition, which increased $3.4 million (62.4 percent).

Because the manufacturing bases in many Sub-Saharan African countries, except for Zimbabwe and South Africa, are not sufficiently diversified to produce miscellaneous manufactures at competitive prices, U.S. imports of these items from the region, although growing, continued to be relatively small. Major sources for sector imports from Sub-Saharan Africa in 1997 are shown below:

1997 leading import sources	Million dollars	Percentage of total
Zimbabwe	27.0	30.9
South Africa	17.7	20.3
Congo (Kinshasa)	6.5	7.5
Botswana	5.9	6.7
Tanzania	4.4	5.0
Others	25.8	29.6
Total	87.3	100.0

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

U.S. sector imports from Zimbabwe increased $18.9 million (232.6 percent) in 1997, to replace South Africa as the major Sub-Saharan African source for miscellaneous manufactures. Precious jewelry and related articles (primarily gold components for jewelry manufacture and gold rope necklaces and neck chains) accounted for virtually all of the increased imports from Zimbabwe. More than three-quarters of U.S. imports of miscellaneous manufactures from South Africa in 1997 consisted of furniture. In 1997, overall sector imports from South Africa declined by $1.3 million from 1996.

In contrast to 1996 when the major sector import products from Sub-Saharan Africa included wood furniture, precious jewelry, and miscellaneous articles,[167] precious jewelry and related articles were

[167] Miscellaneous articles include Christmas ornaments, artificial flowers, typewriter ribbons, works of art, and antiques. Antiques, collectors' items, and works of art enter the United States free of duty.

by far the major products in 1997. Total imports of these items from the region in that year were $38.6 million, an increase of 145.4 percent over 1996, with Zimbabwe supplying 65.5 percent of the total. Other important sector imports from the region in 1997 included miscellaneous articles[168] ($26.2 million), mostly from Congo (Kinshasa); and furniture ($14.7 million), mostly from South Africa.

WTO Developments Affecting Sector Trade and Investment

Tariff Changes

The ATWT rate on miscellaneous manufactures imports from Sub-Saharan Africa decreased from 6.3 percent AVE in 1996 to 4.8 percent AVE in 1997. The value of dutiable U.S. sector imports increased from $5.7 million to $6.2 million in 1997, or by 7.8 percent. U.S. import duties were applied to only 7.1 percent of the sector trade in 1997, compared with 9.8 percent in 1996. In 1997, South Africa supplied the largest amount of dutiable products at $2.9 million (47.4 percent), with an ATWT rate of 4.3 percent AVE, down from 5.2 percent in 1996. Kenya followed by providing $0.9 million, (14.8 percent) of dutiable U.S. imports, with an ATWT rate of 8.7 percent AVE, up from 8.4 percent the previous year.

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

U.S. Policies

Imports of miscellaneous manufactures from Sub-Saharan Africa that entered free of duty under the GSP program increased by $19.1 million (59.2 percent) over 1996, and totaled $51.3 million in 1997, or 58.8 percent of sector imports from the region in that year. In 1997, 70 percent ($34.6 million) of GSP-eligible imports in this sector, consisted of precious jewelry and related articles. By comparison, in the previous year, U.S. imports of precious jewelry entering under GSP provisions amounted to only $12.7 million. Furniture was another major GSP-eligible import item in this sector in 1997, totaling $13.1 million. The five major 1997 GSP import sources from Sub-Saharan Africa for sector products are shown in the following tabulation:

1997 leading GSP import sources	Million dollars	Percentage of total
Zimbabwe	25. 5	49.7
South Africa	12.7	24.8
Botswana	5.8	11.3
Swaziland	2.6	5.1
Mauritius	1.8	3.4
Others	2.9	5.7
Total	51.3	100.0

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

The top two countries, Zimbabwe and South Africa, accounted for 74.5 percent of U.S. GSP imports of miscellaneous manufactures products from Sub-Saharan Africa in 1997. Almost all of U.S. imports from Zimbabwe entering under GSP duty preferences consisted of precious jewelry, which totaled $25.3 million in 1997, an increase of $18.7 million (285.1 percent) over the 1996 level.

Services[169]

Overview

Services trade between Sub-Saharan Africa and the United States is small. In 1996, the region imported less than 2.3 percent of total U.S. service exports and supplied less than 2.7 percent of total U.S. service imports. South Africa was the largest market in the region for U.S. services trade. In 1996, U.S. exports to South Africa totaled $967.0 million, more than double the 1992 level, and accounted for 30.4 percent of the $3.2 billion total for Africa. U.S. service imports from South Africa measured $473.0 million, representing 21.8 percent of Sub-Saharan Africa's service exports to the United States.[170]

Trade in services continues to bring economic and social benefits to the Sub-Saharan African region. For example, new communication media such as cellular communication systems, the Internet, and direct-to-home satellite broadcasting are beginning to improve the region's unreliable and prohibitively expensive telecommunication services. In Congo (Kinshasa) the market for cellular telephones is

[168] Principally collections and collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, or archaeological interest.

[169] The services sector includes travel and tourism, telecommunications, transportation, intellectual property, education, and numerous professions, including legal, financial, medical, and engineering services.

[170] Bureau of Economic Analysis (BEA), "U.S. International Sales and Purchases of Private Services," *Survey of Current Business*, Oct. 1997, p. 110.

growing rapidly and in the urban areas of Ghana and Senegal, Internet access is increasing rapidly as competition reduces subscriber fees. Yet despite isolated surges of growth, overall use of these new technologies remains small, as few can afford them. For example, although per-capita income in Côte d'Ivoire is relatively high by African standards, the cost of a basic computer is more than five times the average annual wage.[171] To connect to the Internet, Africa Online charges $127 per month, while in the United States comparable services are often less than $20.

Beyond economic constraints, the newest telecommunication services frequently have to contend with technical difficulties in Sub-Saharan Africa. For example, Heartbeat Online Tanzania must route its Internet transmissions through France.[172] Such cumbersome networking arrangements are indicative of the inadequate telecommunications infrastructure found throughout much of Sub-Saharan Africa and which severely limits the region's Internet capacity. Internet transmissions travel over telephone lines, but the continent's average telephone density of about 0.4 lines per 100 inhabitants is the lowest in the world. When available, telephone connections are often overburdened or of such low quality that Internet transmissions are either garbled or lost. Moreover, although improvements are apparent in some markets, infrastructure development is generally sluggish. In Côte d'Ivoire, for example, getting a new telephone line can take 2 to 3 months.[173]

WTO Developments Affecting Sector Trade and Investment

The most important WTO developments for Sub-Saharan Africa occurred in telecommunication and financial services. On February 15, 1997, the United States and 68 other members of the WTO successfully concluded negotiations on basic telecommunication services under the GATS. Among the 69 WTO members who scheduled market access, national treatment, and regulatory commitments under the Agreement were Côte d'Ivoire, Ghana, Mauritius, Senegal, and South Africa. These countries each made commitments to open certain basic telecommunication sectors to competition in the near term and to open other sectors at later dates. They also pledged to enact regulatory reforms that would ensure market access for foreign-affiliated suppliers.[174]

South Africa's commitments address the following basic telecommunication services: voice, packet- and circuit-switched data transmission, telex, facsimile, and private leased circuit services. In addition, South Africa listed commitments for paging, personal radio communication, trunked radio, cellular (including mobile data), and satellite-based services. Currently, state-owned Telkom S.A. Ltd. provides nearly all of the country's basic telecommunication services and controls access to all telecommunication facilities. South Africa allows aggregate foreign investment of 30 percent in Telkom, and will permit 30 percent foreign ownership in a second provider that is to be established by December 31, 2003. On January 1, 2004, the country will allow foreign access to the local, long-distance, and international service markets, through all means of network technology.[175]

Other recent WTO developments relevant to Sub-Saharan Africa included the successful conclusion of the twice-extended negotiations on financial services. The resulting WTO Agreement on Financial Services covers insurance, banking, securities, financial information providers, and all related financial services.[176] Several Sub-Saharan African countries submitted improved offers, including Nigeria, Kenya, Mauritius, Senegal, and South Africa; the latter submitted a proposal for increased foreign access to its financial markets. Still, to operate as a branch in South Africa, a foreign bank will be required to capitalize its local operation by an unusually onerous amount.[177] Côte d'Ivoire submitted a new regressive table of MFN exemptions dealing primarily with CFA franc zone restrictions.[178] Ghana scheduled commitments that allow 60 percent foreign ownership of financial service providers. Although foreign firms must fulfill a high paid-in capital requirement, they are allowed to provide a full range of services.[179]

[171] Howard W. French, "In Africa, Reality of Technology Falls Short," *The New York Times*, Jan. 26, 1998, found at Internet address http://search.nytimes.com, retrieved May 14, 1998.

[172] Elisabeth Horwitt, "Southern Africa: Slow Start But Steady Growth," *Computerworld*, Sept. 29, 1997, p. 24.

[173] Howard W. French, "In Africa, Reality of Technology Falls Short," *The New York Times*, May 1996, found at Internet address http://search.nytimes.com, retrieved May 19, 1998.

[174] Office of the United States Trade Representative (USTR), "African Commitments in WTO Basic Telecommunications Services Agreement," *A Comprehensive Trade and Development Policy for the Countries of Africa*, (Washington, DC: 1998), p. 13.

[175] USITC, *Recent Trends in U.S. Services Trade* (investigation No. 332-345), USITC publication 3105, p. 4-88.

[176] USITC, *The Year in Trade 1997*, *Operation of the Trade Agreements Program*, USITC publication 3103, p. 17.

[177] USTR, *National Trade Estimate Report on Foreign Trade Barriers* (Washington, DC: 1998), p. 364.

[178] USITC, *The Year in Trade 1997, Operation of the Trade Agreements Program*, p. 24.

[179] USTR, *National Trade Estimate Report on Foreign Trade Barriers*, p. 130.

The recent WTO negotiations have fostered procompetitive actions in several countries. The U.S. Embassy in Tanzania reports several tangible results of the WTO financial services reforms, including liberalization of the insurance sector. Also, insurance businesses monopolized by the government-owned National Insurance Corporation have been opened to private competition, and the Tanzanian Government has licensed three private firms, with four more currently in the licensing process.[180] As a result of the Government of Mauritius' WTO commitments to liberalize telecommunication services by the year 2004, Mauritius Telecom is diversifying into eastern and southern Africa, and is expected to sell partial equity to a strategic foreign partner.[181]

In December 1997, the Government of Cameroon liberalized auxiliary maritime and ports authority services, including maritime transportation of Cameroonian exports and imports, to conform to WTO guidelines. Maritime transport is now open to any transporter registered under Cameroonian or foreign law. Also, freight charge and contributions for handling cargo sharing operations received by the Cameroon National Shippers' Council for loading and unloading activities were abolished at the beginning of 1998.[182]

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

Trade and Investment U.S. Policies

The U.S. Trade and Development Agency (TDA) recently contributed to several projects in Sub-Saharan Africa. In South Africa, TDA is providing $500,000 to the Ministry of Telecommunications to fund training at the U.S. Telecommunications Training Institute in support of Southwestern Bell's bid to become Telkom South Africa's equity partner.[183] Another grant went to the South African Telecommunications Regulatory Authority for evaluating management needs and technical development requirements, among other activities. The Vision 2000 project is one of TDA's most far-reaching initiatives in the Sub-Saharan telecommunication service sector. The 5-year effort will expand and modernize the telecommunication network in South Africa, and will seek to ensure that previously underrepresented customers receive priority during the installation of a projected 2.8 million new lines.[184]

In the environmental services sector, TDA will partially fund a feasibility study conducted by New African Investments Limited on solid waste management and recycling programs in the greater Johannesburg metropolitan area. TDA funded a similar project for the Cape Town area. Transportation services were also supported, for example, by a $228,000 grant for a feasibility study of establishing a public transportation link between Johannesburg's international airport and its greater metropolitan area. A smaller grant will fund a feasibility study looking at the use of an underground rail system to link the main terminal of the airport with a planned satellite terminal.[185] Regarding health services, TDA provided a $200,000 grant to the Amalgamated Health Services of Zimbabwe to fund a feasibility study on the proposed Harare West Hospital.[186]

As reported in Chapter 3, the Overseas Private Investment Corporation (OPIC) remains active in numerous service sectors within Sub-Saharan Africa. OPIC's equity funds will invest in privately sponsored infrastructure projects throughout Sub-Saharan Africa.[187] The projects include environmental services such as urban and rural water supply and distribution; transportation systems and services such as toll roads, harbors, and light and heavy rail systems; energy services such as power generation and distribution; and telecommunication services such as satellite and wireless communications.[188] New companies, existing firms expanding to enter new markets, and companies undergoing restructuring or privatization by the government, will be eligible for funding.

The U.S. Agency for International Development (USAID) funds projects in Sub-Saharan Africa relating to many service sectors including the

[180] U.S. Department of State telegram, "Assistance Requested for 4th Annual USITC Report on U.S.-Africa Trade," message reference No. 003451, prepared by U.S. Embassy, Dar es Salaam, June 1998.

[181] U.S. Department of State telegram, "USITC Report on U.S.-Africa trade—Mauritius," message reference No. 001132, prepared by U.S. Embassy, Port Louis, June 1998.

[182] U.S. Department of State telegram, "Report on US-Cameroon Trade," message reference No. 003961, prepared by U.S. Embassy, Yaounde, June 1998.

[183] TDA, "TDA Projects in Africa," found at Internet address http://www.tda.gov/docs/africa.html, retrieved May 26, 1998.

[184] TDA, "TDA Names 45 Projects in South Africa for U.S. Exports," press release, July 25, 1997, found at Internet address http://www.tda.gov, retrieved May 26, 1998.

[185] TDA, "TDA Projects in Africa."

[186] TDA,"TDA Signs Grant for Hospital Project in Africa," press release, Aug. 27, 1997, found at Internet address http://www.tda.gov, retrieved May 7, 1998.

[187] OPIC, "President Clinton Announces $500 Million OPIC Investment Funds for Africa," Mar. 28, 1998, found at Internet address http://www.opic.gov, retrieved Apr. 7, 1998.

[188] Ibid.

telecommunication industry. The goal of the Leyland Initiative[189] is to reduce the hurdles that limit the Internet's spread throughout Sub-Saharan Africa. Over the next 3 years, at a total cost of $15 million, this USAID initiative will provide approximately 20 African countries with high-speed Internet service accessible via local telephone service.[190] Guinea, Mali, Madagascar, and Mozambique have these services in place, and other countries, including Benin and Côte d'Ivoire, are in the process of having their Internet services upgraded.[191] USAID is also funding the ongoing Southern Africa Regional Telecommunications Restructuring (RTR) program, conducted under the auspices of the Southern Africa Transport and Communications Commission (SATCC). The 4-year program helps ensure that member states of the Southern African Development Community (SADC) have the resources, both technical and financial, to achieve the economic and social benefits provided by a modern information infrastructure.

USAID is funding financial market development programs such as the $100 million Southern Africa Enterprise Development Fund, and smaller national programs in South Africa and Zimbabwe. Other USAID initiatives include providing technical assistance to securities market development programs in Côte d'Ivoire, Swaziland, and Uganda; banking reform and privatization in Tanzania, Senegal, and Swaziland; and venture capital operations in Ghana, Malawi, Senegal, Tanzania, and Uganda. USAID has also provided technical assistance to central banks in Southern and Eastern Africa. Programs to strengthen credit unions are active in Cameroon, Malawi, Mali, and Togo.[192]

Policy Developments in Sub-Saharan Africa

Many governments throughout the Sub-Saharan region have undertaken initiatives to upgrade and expand their national infrastructures. Strategies often involve attracting foreign direct investment or privatizing government monopolies. In Uganda,[193] a consortium including Mobile Telecoms Network (South Africa), Telia Overseas AB (Sweden), and Invesco, a local firm, was awarded the Second National Operators License at a cost of $5.6 million. The consortium proposes to expand Uganda's telephone network from 51,000 lines to 89,000 lines over the next 5 years.[194] In Ghana, within a year of privatizing 30 percent of Ghana Telecom, the number of telephone lines has increased from 78,000 to 130,000. A second operator is expected to be operational in the near future, with expectations of constructing a minimum of 50,000 lines in 5 years.[195]

Côte d'Ivoire, Mauritius, Mozambique, Namibia, Nigeria, Senegal, Tanzania, and Zambia have created commercial telecommunications authorities or commissions as the first step in the privatization process. Botswana Telecommunications Corporation is considering privatization and has tentatively identified several foreign partners (SBC Communications [U.S.], Telia [Sweden], and Telekom Malaysia) that will codevelop cellular telephone service within the country. In an effort to commercialize the Department of Posts and Telecommunications, the Zimbabwe Government also announced its intention to invite the private sector to build and possibly operate extensions to the national telecommunications network.[196]

Many Sub-Saharan African nations have undertaken efforts to develop the travel and tourism industry, realizing its potential to bring hard currency into the region. Strategies include placing sophisticated travel related Web sites on the Internet, positioning travel information representatives in the home countries of the most frequent visitors, and liberalizing and upgrading travel services.[197] To

[189] USAID coordinates the Leyland Initiative. The telecommunications policy arm of the State Department provides support for policy assessments and policy reform, and the negotiation of MOU between host country governments and the U.S. Government.

[190] Howard W. French, "In Africa, Reality of Technology Falls Short," *The New York Times*, May 1996, found at Internet address http://search.nytimes.com, retrieved May 19, 1998.

[191] Thomas L. Friedman, "Foreign Affairs: Booting Up Africa," *The New York Times*, May 5, 1998, p. 31.

[192] USTR, *A Comprehensive Trade and Development Policy for the Countries of Africa,* (Washington, DC: 1997).

[193] The Government of Uganda has implemented much of the Uganda Telecommunications Act of 1997 passed in September 1997. Since that time, Uganda has split the Uganda Post and Telecom Company into separate entities, privatized 51 percent of state-owned Uganda Telecom Limited (UTL), and created an independent regulatory body. U.S. Department of State telegram, "Ugandan Telecom—Privatization Update," message reference No. 1274, prepared by U.S. Embassy, Kampala, Mar. 11, 1998.

[194] Uganda Investment Authority (UIA), "A Review of Achievements for the Year 1997," found at Internet address http://www.uganda.co.ug/achieve.htm, retrieved May 26, 1998.

[195] Republic of Ghana, "Country Information—Communications," found at Internet address http://www.uta.fi/~csfraw/ghana.html, retrieved Feb. 18, 1998.

[196] MBendi AfroPaedia, "Telecommunications Service Providers and Privatization," MBendi Information Services, found at Internet address http://www.mbendi.co.za, retrieved Apr. 22, 1998.

[197] The Malian Civil Aviation Administration recently granted Delta Air Lines rights to code-share with the national air carrier for flights from Brussels to Mali, a first for a U.S. carrier. Also, Delta received permission

improve the industry's coordination across national borders, the Regional Tourism Organization of Southern Africa (RETOSA) was established with the full approval of the SADC Council of Ministers. The new organization will work directly with each country's national tourism office to promote and develop the region's travel and tourism industry.[198] Other intraregional economic activity includes Zambia's decision to privatize a major sector of its tourism industry by selling premier hotel property to South Africa's Sun International chain. The South African company plans to invest at least $50 million in the development of a major tourism complex on the Zambian side of Victorian Falls, which is expected to generate 3,300 local jobs.[199]

Botswana's latest 5-year economic plan, the National Development Plan 8 (August 1997), identified tourism as a key sector for economic growth. The government is promoting tourism by upgrading the official tourism agency and by funding the establishment or expansion of private sector travel and tourism businesses.[200] The Kenya Tourism Board reports that is seeking increased funding for the Tourism Ministry's overseas offices that prepare promotional campaigns and conduct other local marketing activities. The Board also plans to promote key infrastructure repairs and refurbishments that may encourage tourism, such as modernizing rail and bus services.[201] Table 4-7 summarizes other policy developments in the services sector.

Multilateral Lending

The International Monetary Fund's (IMF) *Annual Report* identifies many ongoing funding activities and structural reform programs in several Sub-Saharan African countries, including Côte d'Ivoire, Lesotho, Madagascar, Malawi, Mali, Mozambique, Niger, Rwanda, Senegal, Tanzania, and Uganda. [202] Projects promote private sector development through initiatives that strengthen judicial and financial systems, and privatize and restructure public sector enterprises, including water, electric, and telecommunication utilities. With the support of the IMF, the Ugandan Government has begun to lay the foundations for a market-based financial services sector. Throughout the region, financial sector reforms have resulted in greater competition and regulatory transparency, and the introduction of new products and technology.[203] To address social needs in the region, the IMF also supports programs that improve education and basic health care services.

The World Bank also supports the development of service industries in Sub-Saharan Africa. On April 1, 1998, the Bank approved a $18 million credit to improve family health services in The Gambia, the first such project since 1994. The Participatory Health, Population, and Nutrition Project is intended to improve health services and promote the active participation of individuals and communities in ensuring their own health.[204] Another World Bank loan went to promote health care services in Comoros. The $8.4-million loan will go toward reducing the number of deaths from infectious diseases, improving health care facilities and services; enhancing mosquito control activities; and improving the training for health sector personnel. Women's and children's health issues will be particularly targeted.[205]

The World Bank's lending arm for the poorest countries, the International Development Association (IDA), will provide $24 million of the $191.6 million package going toward the Mauritania Health Sector Program for 1998-2002. The balance will be financed by the Government of Mauritania ($75.8 million), beneficiaries ($19.4 million), and by other multilateral and bilateral lenders ($72.4 million), including the African Development Bank (AfDB), the European

[197]—*Continued*
from the Government of Guinea to code-share on all flights in and out of Conakry. U.S. Department of State, U.S. and Foreign Commercial Service (USFCS), "Gov't Grants Delta Code-sharing Rights with Sabena to Bamako," and "Conakry Now a Delta Destination—via Sabena," *International Marketing Insights*, Mar. 6, 1998, found at Internet address http://www.stat-usa.gov, retrieved Apr. 22, 1998.

[198] Southern African Development Community (SADC), "Trade & Investment: Tourism," found at Internet address http://www.sadc-usa.net, retrieved May 26, 1998.

[199] U.S. Department of State telegram, "$Sun City' Comes to Zambia," message reference No. 1567, prepared by U.S. Embassy, Lusaka, Mar. 9, 1998.

[200] USFCS, "Botswana: Tourism Overview," *International Marketing Insights*, IM 04/24, Apr. 24, 1998, found at Internet address http://www.stat-usa.gov, retrieved Apr. 22, 1998; and U.S. Department of State telegram, "4th Annual USITC Report on US-Africa Trade," message reference No. 2993, prepared by U.S. Embassy, Gaborone, June 1998.

[201] U.S. Department of State telegram, "Kenya Economic/Commercial Review," message reference No. 1688, prepared by U.S. Embassy, Nairobi, Jan. 28, 1998.

[202] International Monetary Fund (IMF), *Annual Report of the Executive Board*, April 30, 1997.

[203] Trade & Development Centre (World Bank and WTO), "Uganda: Industry, Investment and Services," *Country Studies*, found at Internet address http://www.itd.org, retrieved May 19, 1998.

[204] The World Bank, "US$18 Million for Family Health in The Gambia," news release No. 98/1709/AFR, Apr. 1, 1998, found at Internet address http://www.worldbank.org, retrieved May 26, 1998.

[205] The World Bank, "World Bank Approves US$8 Million for Better Health in Comoros," news release No. 98/1665/AFR, Feb. 27, 1998, found at Internet address http://www.worldbank.org, retrieved May 26, 1998.

Table 4-7
Services: Policy developments in Sub-Saharan Africa

Country	Development
Botswana	The trans-Kalahari Highway—A Namibian-Bostwana regional integration project under the auspices of SADC— opened March 20, 1998, and pulls together the Namibian, Bostwanian, and South African economies.[1]
Cameroon	On October 30, 1997, the Government of Cameroon approved Citibank's final plans to open a branch in Douala.[2] The national insurance parastatals are to be completely privatized by June 30, 1999, reportedly at the insistence of the World Bank. Privatization of the national airline, shipping line, and certain public utilities is expected to be completed before mid-1999.[3]
The Gambia	Gamtel, the state-owned telecommunications company, will invest about $40 million to upgrade the national telecommunication network. Gamtel's plans include $5 million for expanding the local telephone network, $6.5 million for integrating a digital cellular telephone network, $15 million for participation in a global fiber optic cable project, and $1 million for Internet access and services.[4]
Kenya	Kenya's largest bank was privatized in 1996 and the second-largest bank was privatized in 1997. Recently, the government privatized the national airline and awarded private management concessions for national port and rail services. The national telephone company will likely be partially transformed into a private company in mid-1999, when a strategic partner will be permitted to acquire 30 percent of the entity.[5]
Mauritius	The Government of Mauritius is moving to approve a new Telecommunications Bill that will support complete liberalization of the telecommunications sector by 2004. The bill will also replace the existing regulatory agency with a new regulatory body and create a separate policy unit.[6] The Government announced that the Electricity Act of 1939 will be replaced by new legislation and that a new body will be established to regulate the operations of independent power producers.[7]
Mozambique	In Mozambique's financial sector, two state-owned commercial banks have been privatized and several foreign banks have been allowed to enter the market. In 1998, credit and debit cards were introduced and a new law governing checks was enacted. A small stock exchange in Maputo is expected late in 1998.[8] The national telephone, port and rail, electric utility, and airline services remain under the auspices of their respective sectorial ministries, but all are functioning more autonomously and on a commercial basis. To boost private investment, the management of all port and rail systems is slated for privatization through long term concession arrangements. Also, in 1997, the Government announced its willingness to license independent power producers and distributors.[9]
Namibia	In late 1997, Telecom Namibia completed installation of a nationwide fiber-optic backbone, connecting all major population centers.[10]
Nigeria	The Nigerian Government has begun final negotiations to establish direct intra-regional telecommunications among several west African countries. Currently, Anglo-phone countries in west Africa must route their telephone calls through British Telecom (BT) in London, while Franco-phone countries are switched through French Telecom in Paris.[11]
Senegal	Senegal's transportation ministers met with the U.S. Secretary of Transportation in Dakar on April 1, 1998, to outline plans to improve Senegal's transportation infrastructure, including road, rail, and urban transportation services. Potential projects include privatizing Sotrac, the state-owned bus company; renovating and putting the Dakar-to-Bamako (Mali) railroad under private management; and developing Dakar's port into a regional shipping hub, which will be partially enabled by USTDA assistance. Plans for the aviation services sector included establishing more direct air links, in part to increase tourism, and privatizing Air Senegal.[12]
South Africa	In March 1997, Telkom S.A. Ltd. was partially privatized. Through a consortium known as Thintana, SBC Communications (U.S.) and Telekom Malaysia bought 30 percent of the former government monopoly. During the first six months of the partnership, 171,000 new telephone lines were installed, nearly triple the number installed the previous year, with approximately 65 percent going into "previously neglected areas."[13] Over the next four years, Telkom plans to spend $10 billion building a telecommunications infrastructure that will include an extensive digital network.[14] Since South Africa's first democratic election in 1994, at least 77 foreign banks have opened offices in Johannesburg, of which 60 are representative offices and 17 are branches of multinational parents.[15]

Table 4-7—Continued
Services: Policy developments in Sub-Saharan Africa

Country	Development
Swaziland	The Minister of Finance is pursuing efforts to restructure government-owned businesses including Swazi Bank, which is scheduled for partial privatization; Royal Swazi Airways, for which a joint venture partner is being sought; and the Post and Telephone Corporation, in which projected plans call for a private operator to take an interest.[16]
Tanzania	The recent enactment of the Tanzania Investment Act provides for more favorable investment conditions. Also, the Parastatal Sector Reform Commission, which oversees the privatization of government entities, continues to focus on major utilities including telecommunication, power, and transportation service companies.[17]

[1] USDOC/USFCS, "Namibia - Highway Opening - IMI1980310," Market Research Reports, doc. ID: 1663, *International Market Insights*, Mar. 10, 1998, National Trade Data Bank, http://www.stat-usa.gov, retrieved May 20, 1998.

[2] USDOC/USFCS, "Citibank Enters Market - IMI971117," Market Research Reports, doc. ID: 3635, *International Market Insights*, Nov. 17, 1997, National Trade Data Bank, http://www.stat-usa.gov, retrieved May 20, 1998

[3] U.S. Department of State telegram, "Report on US-Cameroon Trade."

[4] USDOC/USFCS, "The Gambia: Market for Telecommunications," *International Marketing Insights*, IM 03/25, May 25, 1998, found at Internet address http://www.stat-usa.gov, retrieved Apr. 22, 1998

[5] USDOC, "Country Commercial Guide - Mozambique," FY 1998, found at Internet address http://www.ita.doc.gov/uscs/, retrieved Apr. 22, 1998.

[6] Southern Africa Transport and Communications Commission (SATCC), *Regional Telecommunications Restructuring (RTR) Program Newsletter,* April 20, 1998, found at Internet address http://rtr.worldweb.net, retrieved May 22, 1998.

[7] U.S. Department of State telegram, "USITC report on U.S. - Africa trade — Mauritius."

[8] U.S. Department of State telegram, "Assistance requested for 4th annual USITC report on U.S.-Africa Trade," message reference No. 002766, prepared by U.S. Embassy, Maputo, June 1998

[9] Ibid

[10] U.S. Department of State telegram, "1998 Investment Climate Statement - Namibia," message reference No. 000622, prepared by U.S. Embassy, Windhoek, Feb. 1998

[11] USDOC/USFCS, "Nigeria: Nigerian Government Initiates Direct Access Telecommunications Project for West African Sub-region," *International Market Insights*, May 23, 1997

[12] USDOC/USFCS, "Senegal - Transportation Development Plan," *International Marketing Insights*, IM 04/28, Apr. 28, 1998

[13] Donald G. McNeil, Jr., "International Business: Crossed Wires in South Africa," *The New York Times*, Dec. 17, 1997, sec. D, p. 1

[14] Marina Bidoli, "South Africa: Preparing for Liberalization," *Telecommunications*, international edition, Apr. 1998, vol. 32, No. 4, p. S12

[15] The largest foreign institutions include Warburg Dillon Read, Merrill Lynch, ING Barings, Deutsche Morgan Grenfell, and HSBC Holdings. Mark Ashurst, "Finance Sector in Top Form," *The Banker*, London, Apr. 1998, Vol. 148, Issue 866, pp. 70-72

[16] U.S. Department of State telegram, "Swaziland — USITC report on U.S. - Africa trade," message reference No. 001575, prepared by U.S. Embassy, Mbabane, June 1998

[17] U.S. Department of State telegram, "Assistance requested for 4th annual USITC report on U.S. - Africa trade," message reference No. 003451, prepared by U.S. Embassy, Dar es Salaam, June 1998.

Union, and French and German development agencies. The project's goal is to improve the quality and coverage of health services, improve the financial administration of related business operations, and promote a social and physical environment conducive to better health.[206]

Ghana, Sierra Leone, and Comoros have requested funding from the AfDB to conduct master plan studies of their telecommunications sectors that will identify current problems and guide future development. These studies are scheduled for AfDB resources of about $1 million each. Other AfDB projects benefit nontechnical service sectors. For example, on December 10, 1997, the African Development Fund (ADF) approved a $27.2 million loan to finance the Education II Project in Tanzania. The project aims to improve the quality of primary education, strengthen

[206] The World Bank, "World Bank Injects US$24 Million into Mauritania to Improve Health," News Release No. 98/1707/AFR, Mar. 31, 1998, found at Internet address http://www.worldbank.org, retrieved May 26, 1998.

secondary science education, and expand nonformal education.[207]

The International Finance Corporation (IFC) promotes diversification and growth of Sub-Saharan Africa's financial and banking sectors by providing scarce investment capital and other nonmonetary assistance. Recent IFC outlays include a loan of $10 million for Cashbank, a South Africa bank established by a private organization to service local low-income communities by providing savings facilities and credit for housing, education, and personal loans.[208] The IFC will also provide a local currency guarantee to Banque Atlantique-Côte d'Ivoire, a commercial bank in Abidjan. The new facility will raise medium-term resources of up to CFA Francs 1.5 billion ($2.5 million) for lending to private local enterprises.[209] In August 1997, the IFC signed an investment agreement with Banque Mauritanienne pour le Commerce International (BMCI) for a credit line of up to $14 million, which will fund loans to export-oriented companies in Mauritania.[210] In September 1997, the IFC signed an agreement to make an equity investment of $300,000 in Ecobank Burkina Faso (EBF), the first fully private bank in Burkina Faso. EBF provides a broad array of commercial banking services, including trade finance, and offers specialized products, such as fund transfers throughout West Africa.[211] IFC support for Zambia's financial sector includes an investment agreement with Finance Bank Zambia Limited for a loan of up to $5 million to promote export-oriented local entrepreneurs.[212]

The IFC also provided support for service sectors outside the financial industry. For example, on June 30, 1997, the IFC signed an investment agreement, comprising a loan of $2.25 million and an equity subscription of $507,000, with Datel Tanzania Limited to help finance an upgrade and expansion of its telecommunication network. Datel's new network, which will use Very Small Aperture Terminal (VSAT) satellite technology, will be the first of its kind in Sub-Saharan Africa.[213] The IFC also supports the travel and tourism industry in Sub-Saharan Africa. Representative outlays include loans for a three-star hotel in Madagascar, an 80-room hotel in Mali, and a small tourist resort in Mozambique. In the health care services sector, the IFC intends to invest $0.5 million in AAR Health Services Limited (Kenya) to help expand medical clinics and provide working capital to finance the rapid growth of health care services throughout East Africa, among other projects.[214]

[207] AfDB, "ADF Approves a US$27 Million Loan to Finance an Education Project in Tanzania," press release, Dec. 10, 1997, found at Internet address http://www.afdb.org, retrieved Apr. 16, 1998.

[208] IFC, "IFC Invest US$40 Million in South Africa," press release No. 98/66, Doc. ID: 1194, Jan. 23, 1998, National Trade Data Bank, http://www.stat-usa.gov, retrieved May 20, 1998.

[209] IFC, "IFC Provides Local Currency Guarantee Facility to a Commercial Bank in Côte d'Ivoire," press release No. 98/83, Feb. 12, 1998.

[210] This is IFC's first investment in Mauritania's financial sector. IFC, "IFC makes First Investment in Mauritania's Financial Sector US$14 million for BMCI," press release No. 98/14, Aug. 5, 1997.

[211] IFC, "IFC Invests in First Private Bank in Burkina Faso," press release No. 98/33, Sept. 30, 1997, found at Internet address http://www.ifc.org, retrieved May 22, 1998.

[212] IFC, "Sub-Saharan Africa: 1997 Project Approvals," *IFC Annual Report 1997.*

[213] IFC, "IFC to Invest in US$10 Million Tanzanian Data Communications Project," press release No. 97/123, June 30, 1997, found at Internet address http://www.ifc.org, retrieved May 22, 1998.

[214] IFC, "IFC Invests US$0.5 Million in Kenya," press release No. 98/72, Feb. 12, 1998, found at Internet address http://www.ifc.org, retrieved May 22, 1998.

APPENDIX A
Request Letter

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

June 5, 1996

DOCKET NUMBER 1908 Office of the Secretary Int'l Trade Commission

'96 JUN 11 P1:13

RECEIVED OFFICE OF THE SECRETARY U.S. INT'L TRADE COMM.

The Honorable Peter S. Watson
Chairman
U.S. International Trade Commission
500 E street, S.W.
Washington, D. C. 20436

Dear Chairman Watson:

In February 1996 the President, as directed by Section 134 of the Uruguay Round Agreements Act, submitted to the Congress the Administration's report on a Comprehensive Trade and Development Policy for the Countries of Africa. This report presents a comprehensive policy framework through which the United States will pursue its trade and development strategy with the 48 countries in Sub-Saharan Africa.

The Statement of Administrative Action (SAA) that was approved by the Congress with the Uruguay Round Agreements Act requires the President to direct the U.S. International Trade Commission to prepare an annual report in support of the Administration's Comprehensive Trade and Development Policy for the next four years. The SAA provides a broad outline of the information that should be provided to the President in this report. We received the Commission's first report in November 1995, as requested, to assist in the formulation of the policy framework.

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 annual reports for the next four years containing the following:

1. An update, for the latest year available, on U.S.-Africa trade and investment flows for both overall totals and for the following major sectors to the extent possible: agriculture, forest products, textiles and apparel, footwear, energy, chemicals, minerals and metals, machinery, transportation equipment, electronics technology, miscellaneous manufactures, and services. It is also requested that basic trade flow information be provided for U.S. trade with the following regional trade groups:
   --The Southern African Customs Union (SACU)
   --The Southern African Development Community (SADC)
   --Western African Economic and Monetary Union (WAEMU)
   --Common Market for Eastern and Southern Africa (COMESA)

2. An identification of major developments in the World Trade Organization and U.S. trade/economic policy and commercial activities, which significantly affect U.S.-Africa trade and

The Honorable Peters S. Watson
Page Two

investment flows by sector during the latest year. Similarly, to the extent possible, changing trade and economic activities within African countries that have a significant impact should be highlighted.

3. Progress in regional integration in Africa.

The Commission's investigation and report should be confined to the 48 countries of Sub-Saharan Africa. The Commission is requested to provide the next report not later than October 4, 1996, and to provide an update of the report annually thereafter through October 1999. A supplemental request will be sent in the event that it becomes necessary to change the scope of the requested report.

It is the expectation of this office that the Commission's report will be made available to the public in its entirety. Therefore, the report should not contain any confidential business or national security information. The Commission's assistance in this matter is greatly appreciated.

Sincerely,

Charlene Barshefsky
Acting U.S. Trade Representative

APPENDIX B
Trade Data

Table B-1
U.S. exports, imports, and trade balance, with Sub-Saharan Africa, 1993-97

(Thousand dollars)

Country	1993	1994	1995	1996	1997
Angola:					
Exports	167,549	196,714	258,786	265,478	279,110
Imports	2,100,965	2,079,248	2,304,857	2,692,567	2,924,528
Trade balance	(1,933,416)	(1,882,534)	(2,046,071)	(2,427,089)	(2,645,418)
Benin :					
Exports	21,634	25,854	33,846	27,254	51,171
Imports	15,740	9,977	9,770	18,154	8,080
Trade balance	5,894	15,878	24,076	9,100	43,091
Botswana:					
Exports	24,569	22,242	35,660	28,531	42,937
Imports	8,527	13,655	21,113	27,210	24,540
Trade balance	16,041	8,586	14,546	1,321	18,397
Burkina Faso:					
Exports	17,649	7,239	14,576	10,346	17,945
Imports	473	445	379	3,835	994
Trade balance	17,176	6,794	14,197	6,512	16,951
Burundi:					
Exports	2,303	17,718	2,912	2,109	543
Imports	2,733	6,236	21,186	2,081	13,812
Trade balance	(430)	11,482	(18,273)	29	(13,269)
Cameroon:					
Exports	48,216	53,463	45,571	69,897	121,555
Imports	101,219	56,306	57,591	64,577	57,185
Trade balance	(53,003)	(2,843)	(12,019)	5,321	64,370
Cape Verde:					
Exports	3,994	3,889	6,809	66,688	9,625
Imports	32	123	278	407	496
Trade balance	3,962	3,766	6,531	66,281	9,129
Central African Republic:					
Exports	4,870	2,535	6,128	3,804	3,624
Imports	258	249	354	268	1,350
Trade balance	4,611	2,285	5,773	3,536	2,274
Chad:					
Exports	7,712	7,436	10,383	3,369	3,098
Imports	289	1,806	3,256	7,011	2,862
Trade balance	7,423	5,631	7,127	(3,641)	236
Comoros:					
Exports	309	101	679	78	74
Imports	9,573	6,034	2,224	6,217	2,565
Trade balance	(9,264)	(5,934)	(1,545)	(6,139)	(2,491)
Congo (Kinshasa):					
Exports	35,145	39,421	76,817	73,223	37,585
Imports	240,746	186,968	267,402	262,770	263,363
Trade balance	(205,601)	(147,547)	(190,585)	(189,547)	(225,778)

See notes at end of table.

Table B-1—Continued
U.S. exports, imports, and trade balance, with Sub-Saharan Africa, 1993-97

(Thousand dollars)

Country	1993	1994	1995	1996	1997
Congo (Brazzaville):					
Exports	27,360	37,893	54,402	61,833	75,256
Imports	500,009	403,030	193,489	302,725	460,762
Trade balance	(472,649)	(365,137)	(139,087)	(240,893)	(385,506)
Cote d'Ivoire:					
Exports	87,744	110,051	172,315	140,328	149,743
Imports	178,221	185,345	214,078	403,662	285,590
Trade balance	(90,477)	(75,294)	(41,763)	(263,334)	(135,847)
Djibouti:					
Exports	12,953	6,703	8,457	8,237	7,272
Imports	28	62	34	8	([1])
Trade balance	12,925	6,641	8,423	8,230	7,271
Equatorial Guinea:					
Exports	3,433	1,894	5,335	16,729	47,063
Imports	3,680	326	30,969	75,953	30,485
Trade balance	(247)	1,568	(25,634)	(59,224)	16,578
Eritrea:					
Exports	918	8,154	16,540	13,912	15,766
Imports	0	103	262	1,548	1,294
Trade balance	918	8,051	16,278	12,364	14,472
Ethiopia:					
Exports	136,061	142,421	146,792	145,002	120,292
Imports	22,063	34,100	32,784	34,586	69,651
Trade balance	113,998	108,321	114,008	110,416	50,641
Gabon:					
Exports	47,374	40,071	53,918	55,641	81,023
Imports	922,682	1,232,709	1,563,875	1,842,331	2,022,275
Trade balance	(875,308)	(1,192,637)	(1,509,958)	(1,786,690)	(1,941,251)
The Gambia:					
Exports	10,077	3,852	5,988	8,357	9,517
Imports	8,594	2,685	2,259	1,927	3,516
Trade balance	1,483	1,167	3,729	6,430	6,002
Ghana:					
Exports	211,291	121,369	166,701	294,330	312,801
Imports	208,469	198,486	196,074	171,354	154,069
Trade balance	2,823	(77,117)	(29,373)	122,976	158,732
Guinea:					
Exports	57,260	47,295	66,302	86,698	82,081
Imports	112,974	92,815	93,115	115,421	127,671
Trade balance	(55,714)	(45,520)	(26,812)	(28,723)	(45,591)
Guinea-Bissau:					
Exports	1,644	980	868	7,041	2,488
Imports	209	0	39	46	71
Trade balance	1,436	980	829	6,995	2,417

See notes at end of table.

Table B-1—Continued
U.S. exports, imports, and trade balance, with Sub-Saharan Africa, 1993-97

(Thousand dollars)

Country	1993	1994	1995	1996	1997
Kenya:					
Exports	115,464	168,484	112,646	101,314	222,834
Imports	92,276	110,964	101,435	100,035	114,347
Trade balance	23,188	57,520	11,211	1,279	108,487
Lesotho:					
Exports	4,014	3,331	1,986	2,640	2,370
Imports	55,721	62,737	61,909	64,997	86,605
Trade balance	(51,707)	(59,406)	(59,923)	(62,357)	(84,235)
Liberia:					
Exports	20,003	46,210	41,552	49,690	42,686
Imports	3,084	3,471	9,728	26,893	4,852
Trade balance	16,919	42,739	31,824	22,796	37,835
Madagascar:					
Exports	10,815	47,279	9,502	11,271	11,219
Imports	42,711	56,719	57,238	45,675	62,489
Trade balance	(31,895)	(9,440)	(47,737)	(34,404)	(51,270)
Malawi:					
Exports	15,818	18,657	17,810	13,216	17,520
Imports	84,239	48,089	38,854	62,584	89,403
Trade balance	(68,421)	(29,431)	(21,044)	(49,367)	(71,884)
Mali:					
Exports	32,478	19,009	23,118	18,193	25,956
Imports	1,378	4,073	5,495	5,467	3,806
Trade balance	31,100	14,936	17,623	12,726	22,151
Mauritania:					
Exports	19,170	13,943	42,939	14,559	20,841
Imports	6,451	3,517	5,540	5,294	241
Trade balance	12,719	10,426	37,399	9,265	20,600
Mauritius:					
Exports	14,966	18,987	19,441	21,029	26,165
Imports	196,440	216,769	229,594	216,251	235,384
Trade balance	(181,473)	(197,782)	(210,153)	(195,222)	(209,219)
Mozambique:					
Exports	39,366	39,272	49,004	22,612	45,662
Imports	8,350	20,796	27,544	26,552	29,631
Trade balance	31,016	18,476	21,460	(3,940)	16,030
Namibia:					
Exports	19,598	16,188	26,532	21,879	25,058
Imports	22,028	30,176	11,450	26,944	62,338
Trade balance	(2,430)	(13,988)	15,083	(5,065)	(37,280)
Niger:					
Exports	15,813	11,905	17,123	26,843	24,889
Imports	5,716	4,260	1,551	773	7,513
Trade balance	10,097	7,646	15,573	26,070	17,376

See notes at end of table.

Table B-1—Continued
U.S. exports, imports, and trade balance, with Sub-Saharan Africa, 1993-97

(Thousand dollars)

Country	1993	1994	1995	1996	1997
Nigeria:					
Exports	875,206	500,587	589,749	796,297	810,947
Imports	5,309,470	4,595,364	4,878,480	5,876,792	6,000,201
Trade balance	(4,434,265)	(4,094,777)	(4,288,731)	(5,080,495)	(5,189,254)
Rwanda:					
Exports	7,020	34,600	38,461	36,494	34,971
Imports	4,094	1,663	1,880	8,748	3,895
Trade balance	2,926	32,937	36,581	27,746	31,076
São Tome & Principe:					
Exports	2,512	13,024	1,824	221	12,942
Imports	675	39	144	449	221
Trade balance	1,837	12,985	1,679	(228)	12,721
Senegal:					
Exports	68,904	42,181	67,088	55,356	51,343
Imports	7,496	11,429	6,476	5,494	6,627
Trade balance	61,408	30,752	60,612	49,862	44,717
Seychelles:					
Exports	64,475	6,054	6,871	103,221	6,010
Imports	4,485	3,382	2,431	2,826	2,339
Trade balance	59,990	2,673	4,441	100,395	3,672
Sierra Leone:					
Exports	20,547	24,064	17,869	28,332	15,706
Imports	47,325	51,469	28,478	22,372	18,367
Trade balance	(26,778)	(27,404)	(10,608)	5,959	(2,662)
Somalia:					
Exports	30,561	29,762	8,055	4,220	2,756
Imports	212	118	106	150	311
Trade balance	30,349	29,644	7,949	4,070	2,445
South Africa:					
Exports	2,144,460	2,114,884	2,696,500	3,056,519	2,926,396
Imports	1,851,045	2,019,701	2,209,587	2,320,439	2,495,463
Trade balance	293,414	95,184	486,913	736,081	430,934
Sudan:					
Exports	52,556	54,357	42,815	50,304	37,155
Imports	11,757	35,279	22,497	18,654	12,109
Trade balance	40,799	19,078	20,317	31,650	25,046
Swaziland:					
Exports	2,385	5,318	3,233	2,314	4,182
Imports	21,544	37,805	30,237	29,916	43,975
Trade balance	(19,159)	(32,487)	(27,004)	(27,602)	(39,793)
Tanzania:					
Exports	32,757	48,766	66,146	49,803	63,468
Imports	11,427	14,928	22,420	18,447	26,935
Trade balance	21,330	33,838	43,726	31,355	36,533

See notes at end of table.

Table B-1—Continued
U.S. exports, imports, and trade balance, with Sub-Saharan Africa, 1993-97

(Thousand dollars)

Country	1993	1994	1995	1996	1997
Togo:					
Exports	12,551	12,422	18,142	19,923	25,142
Imports	3,391	4,088	29,325	4,235	5,488
Trade balance	9,160	8,334	(11,183)	15,688	19,654
Uganda:					
Exports	20,695	27,467	21,862	16,471	35,122
Imports	9,902	34,858	13,158	15,909	37,713
Trade balance	10,792	(7,391)	8,704	562	(2,591)
Zambia:					
Exports	41,769	32,263	48,777	45,294	28,645
Imports	40,784	63,477	32,893	63,824	55,904
Trade balance	985	(31,214)	15,884	(18,530)	(27,259)
Zimbabwe:					
Exports	83,063	92,229	120,175	89,005	78,876
Imports	142,301	106,028	96,689	123,988	134,447
Trade balance	(59,239)	(13,799)	23,487	(34,984)	(55,572)

[1] Less than $500.

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

Table B-2
Angola: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agricultural products:						
Exports	8,365	37,088	32,753	28,213	27,917	-1.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	9,788	7,333	11,477	12,548	9,959	-20.6
Imports	8	-	8,258	72,780	129,742	78.3
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	20,079	16,417	25,133	22,383	22,779	1.8
Imports	-	5	6	4	11	178.5
GSP imports	-	5	-	-	11	-
Energy-related products:						
Exports	1,327	1,005	903	1,475	2,044	38.6
Imports	2,092,572	2,067,144	2,286,299	2,610,572	2,788,572	6.8
GSP imports	-	-	-	-	668,113	-
Footwear:						
Exports	188	162	288	519	479	-7.6
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	1,386	1,036	777	2,587	2,747	6.2
Imports	-	-	4	-	-	-
GSP imports	-	-	4	-	-	-
Machinery:						
Exports	18,093	16,487	24,832	24,817	48,771	96.5
Imports	-	-	2	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	9,537	12,835	36,612	23,392	17,957	-23.2
Imports	3,491	6,502	4,973	1,066	462	-56.6
GSP imports	-	-	30	-	-	-
Miscellaneous manufactures:						
Exports	3,287	12,153	1,610	1,501	2,524	68.1
Imports	-	463	2	12	1,601	
GSP imports	-	-	-	2	-	-100.0
Special provisions:						
Exports	5,387	4,784	5,447	5,824	6,781	16.4
Imports	3,731	5,125	5,313	8,130	4,138	-49.1
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	1,537	3,563	6,228	7,793	9,044	16.1
Imports	1	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	88,573	83,851	112,727	134,424	128,108	-4.7
Imports	1,163	9	-	2	2	-25.0
GSP imports	1,163	-	-	-	-	-
All sectors:						
Exports	167,549	196,714	258,786	265,478	279,110	5.1
Imports	2,100,965	2,079,248	2,304,857	2,692,567	2,924,528	8.6
GSP imports	1,163	5	34	2	668,124	([1])

See notes at end of table.

Table B-2—Continued
Benin: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	5,897	14,497	10,394	2,330	5,631	141.6
Imports	248	625	1,126	794	627	-21.0
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	505	653	337	1,339	1,068	-20.2
Imports	-	1	-	-	340	-
GSP imports	-	1	-	-	-	-
Electronic products:						
Exports	574	396	1,389	1,148	630	-45.2
Imports	1	-	-	-	58	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	399	9	49	91	9	-89.6
Imports	14,328	7,708	7,468	16,763	6,251	-62.7
GSP imports	-	-	-	-	3,354	-
Footwear:						
Exports	594	376	157	360	180	-50.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	116	63	14	10	73	593.0
Imports	-	54	54	67	75	11.5
GSP imports	-	47	54	67	75	11.5
Machinery:						
Exports	838	2,128	8,124	3,311	12,868	288.6
Imports	-	-	-	-	3	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	94	131	46	101	2,182	([1])
Imports	-	-	-	-	26	-
GSP imports	-	-	-	-	6	-
Miscellaneous manufactures:						
Exports	112	4	18	963	1,092	13.4
Imports	22	16	14	246	638	159.8
GSP imports	-	4	-	3	2	-46.7
Special provisions:						
Exports	670	609	947	990	1,839	85.7
Imports	35	2	14	19	4	-78.4
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	10,844	5,156	7,731	13,800	18,467	33.8
Imports	1,106	1,569	1,095	266	58	-78.1
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	992	1,831	4,640	2,810	7,132	153.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	21,634	25,854	33,846	27,254	51,171	87.8
Imports	15,740	9,977	9,770	18,154	8,080	-55.5
GSP imports	-	52	54	70	3,437	([1])

See notes at end of table.

Table B-2—Continued
Botswana: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	643	916	3,835	1,420	3,092	117.8
Imports	2,056	1,196	203	121	91	-25.3
GSP imports	701	401	167	106	33	-69.1
Chemicals and related products:						
Exports	91	614	1,598	249	302	21.1
Imports	-	-	(2)	241	-	-100.0
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	9,011	4,338	6,439	2,853	2,104	-26.2
Imports	-	-	-	25	-	-100.0
GSP imports	-	-	-	25	-	-100.0
Energy-related products:						
Exports	-	9	15	-	9	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	2	-	1	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	394	289	1,053	320	371	15.9
Imports	38	4	24	10	22	111.0
GSP imports	34	4	17	10	22	111.0
Machinery:						
Exports	672	539	988	2,574	275	-89.3
Imports	-	36	-	-	102	-
GSP imports	-	27	-	-	-	-
Minerals and metals:						
Exports	139	158	178	159	1,911	(1)
Imports	5,468	9,465	11,029	13,987	11,133	-20.4
GSP imports	-	(2)	-	-	-	-
Miscellaneous manufactures:						
Exports	50	1,126	246	51	92	81.3
Imports	368	75	1,907	3,552	5,871	65.3
GSP imports	49	46	1,896	3,482	5,827	67.3
Special provisions:						
Exports	10,820	11,965	17,733	11,039	21,129	91.4
Imports	595	773	3,130	2,125	235	-89.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	123	16	30	93	196	112.0
Imports	(2)	2,106	4,706	7,059	7,080	0.3
GSP imports	-	-	-	(2)	-	-100.0
Transportation equipment:						
Exports	2,627	2,270	3,543	9,774	13,457	37.7
Imports	-	-	112	89	7	-92.2
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	24,569	22,242	35,660	28,531	42,937	50.5
Imports	8,527	13,655	21,113	27,210	24,540	-9.8
GSP imports	784	480	2,080	3,624	5,882	62.3

See notes at end of table.

Table B-2—Continued
Burkina Faso: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	9,198	2,413	6,947	3,187	6,253	96.2
Imports	211	-	-	3,648	-	-100.0
GSP imports	-	-	-	-	-	0.0
Chemicals and related products:						
Exports	54	22	98	175	296	69.4
Imports	124	-	-	9	-	-100.0
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	631	1,129	461	1,515	2,974	96.3
Imports	3	2	5	20	37	83.3
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	5	-	-	-	-
Imports	-	164	58	1	-	-100.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	17	45	32	61	144	137.7
Imports	63	20	11	16	23	42.5
GSP imports	63	19	11	7	22	241.2
Machinery:						
Exports	-	83	1,347	325	2,701	730.7
Imports	-	-	12	-	10	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	33	16	78	56	14	-75.8
Imports	16	28	2	13	15	15.4
GSP imports	-	28	2	3	15	393.1
Miscellaneous manufactures:						
Exports	-	55	18	76	84	11.0
Imports	26	71	91	106	347	226.5
GSP imports	11	20	18	14	18	29.9
Special provisions:						
Exports	761	372	747	546	2,170	297.4
Imports	6	144	186	12	326	([1])
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	2,872	2,738	4,180	3,008	2,726	-9.4
Imports	24	16	12	10	236	([1])
GSP imports	7	6	5	([2])	8	([1])
Transportation equipment:						
Exports	4,082	361	669	1,398	585	-58.2
Imports	-	-	2	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	17,649	7,239	14,576	10,346	17,945	73.4
Imports	473	445	379	3,835	994	-74.1
GSP imports	80	73	36	24	64	163.6

See notes at end of table.

Table B-2—Continued
Burundi: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	139	15,376	483	-	-	-
Imports	1,267	1,944	18,824	560	13,772	([1])
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	96	225	86	137	8	-94.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	1,362	744	552	649	315	-51.5
Imports	-	-	-	-	7	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	6	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	47	-	-	-	-	-
Imports	3	21	2	-	-	-
GSP imports	3	6	2	-	-	-
Machinery:						
Exports	54	234	37	110	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	4	38	3	8	-	-100.0
Imports	1,080	4,216	2,266	1,193	-	-100.0
GSP imports	-	-	1	-	-	-
Miscellaneous manufactures:						
Exports	-	11	4	-	-	-
Imports	-	5	-	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	141	359	753	222	107	-51.7
Imports	381	46	79	321	33	-89.8
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	405	645	654	728	-	-100.0
Imports	2	3	15	6	-	-100.0
GSP imports	-	1	-	-	-	-
Transportation equipment:						
Exports	54	85	333	256	113	-55.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	2,303	17,718	2,912	2,109	543	-74.3
Imports	2,733	6,236	21,186	2,081	13,812	563.8
GSP imports	3	7	3	-	-	-

See notes at end of table.

Table B-2—Continued
Cameroon: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					Percent
Agriculture products:						
Exports	21,410	11,138	4,331	3,320	12,285	270.0
Imports	4,068	4,741	11,772	11,549	8,389	-27.4
GSP imports	3,039	1,281	2,136	1,599	971	-39.3
Chemicals and related products:						
Exports	5,034	4,108	3,740	3,928	5,857	49.1
Imports	4,136	4,543	7,767	10,015	11,603	15.9
GSP imports	-	-	-	-	2	-
Electronic products:						
Exports	1,350	1,524	1,079	4,318	6,420	48.7
Imports	102	1,586	702	1,516	1,012	-33.2
GSP imports	-	-	-	4	3	-38.8
Energy-related products:						
Exports	4,047	2,790	2,997	6,651	4,282	-35.6
Imports	89,403	39,432	29,716	34,764	26,174	-24.7
GSP imports	-	-	1	-	-	-
Footwear:						
Exports	323	95	194	1,156	1,150	-0.5
Imports	142	259	340	604	962	59.2
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	2,560	2,257	6,778	2,023	2,710	33.9
Imports	1,878	2,293	4,302	2,287	3,991	74.5
GSP imports	79	65	108	27	99	273.7
Machinery:						
Exports	2,226	5,798	7,524	7,896	12,085	53.0
Imports	164	113	-	63	238	280.4
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	897	835	1,642	1,857	4,759	156.3
Imports	122	333	1,090	270	417	54.4
GSP imports	22	33	28	65	38	-42.5
Miscellaneous manufactures:						
Exports	259	607	667	727	448	-38.4
Imports	249	1,351	935	2,267	1,929	-14.9
GSP imports	18	21	71	31	84	173.0
Special provisions:						
Exports	1,705	1,463	1,484	1,098	2,167	97.4
Imports	336	646	126	369	247	-33.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	664	1,266	1,502	1,479	2,385	61.3
Imports	277	974	829	866	2,223	156.6
GSP imports	8	-	-	-	-	-
Transportation equipment:						
Exports	7,741	21,581	13,633	35,444	67,007	89.1
Imports	342	35	12	7	-	-100.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	48,216	53,463	45,571	69,897	121,555	73.9
Imports	101,219	56,306	57,591	64,577	57,185	-11.4
GSP imports	3,165	1,400	2,343	1,726	1,196	-30.7

See notes at end of table.

Table B-2—Continued
Cape Verde: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	2,068	2,201	4,615	5,207	6,137	17.9
Imports	19	-	6	336	449	33.6
GSP imports	19	-	-	289	421	45.7
Chemicals and related products:						
Exports	3	-	32	88	35	-60.4
Imports	1	-	37	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	1,036	712	861	623	1,066	71.1
Imports	-	116	184	-	-	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	15	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	24	13	3	3	-10.0
Imports	2	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	47	101	24	44	268	506.0
Imports	-	3	-	16	23	41.7
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	6	22	8	-	4	-
Imports	8	-	2	24	7	-70.4
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	4	-	114	4	-96.2
Imports	-	4	-	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	703	729	1,116	1,142	1,856	62.5
Imports	2	-	-	2	12	702.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	-	-	36	-	-	-
Imports	-	-	49	29	5	-83.9
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	132	81	104	59,466	253	-99.6
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	3,994	3,889	6,809	66,688	9,625	-85.6
Imports	32	123	278	407	496	22.0
GSP imports	19	-	-	289	421	45.7

See notes at end of table.

Table B-2—Continued
Central African Republic: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	639	29	-	6	652	([1])
Imports	193	1	172	141	1,168	725.6
GSP imports	152	-	163	-	-	-
Chemicals and related products:						
Exports	10	169	1,013	100	55	-45.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	197	462	2,743	1,390	298	-78.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	20	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	37	3	-	3	-	-100.0
Imports	-	20	48	43	46	5.3
GSP imports	-	2	-	19	-	-100.0
Machinery:						
Exports	1,078	746	793	1,166	1,480	26.9
Imports	-	-	-	-	72	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	207	24	37	138	32	-76.5
Imports	54	-	102	28	3	-87.7
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	-	9	-	-	-
Imports	3	210	32	27	27	-0.5
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	388	292	695	278	445	59.9
Imports	5	1	1	29	32	11.9
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	116	182	534	595	498	-16.3
Imports	3	18	-	-	1	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	2,196	627	304	109	164	51.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	4,870	2,535	6,128	3,804	3,624	-4.7
Imports	258	249	354	268	1,350	402.8
GSP imports	152	2	163	19	-	-100.0

See notes at end of table.

Table B-2—Continued
Chad: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	1,149	930	823	1,980	2,001	1.0
Imports	221	1,490	3,131	5,067	2,854	-43.7
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	180	58	59	39	154	293.3
Imports	-	-	-	1	-	-100.0
GSP imports	-	-	-	1	-	-100.0
Electronic products:						
Exports	240	575	5,150	246	374	52.2
Imports	7	-	-	27	-	-100.0
GSP imports	-	-	-	26	-	-100.0
Energy-related products:						
Exports	-	-	12	-	-	-
Imports	-	1	4	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	137	43	3	12	57	358.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	2,062	1,560	979	134	57	-57.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	488	176	12	-	3	-
Imports	2	2	-	2	-	-100.0
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	17	85	11	6	10	56.0
Imports	-	38	-	-	1	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	305	1,909	327	273	143	-47.8
Imports	59	273	119	1,913	8	-99.6
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	33	33	81	324	66	-79.7
Imports	-	1	2	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	3,102	2,067	2,926	355	234	-34.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	7,712	7,436	10,383	3,369	3,098	-8.1
Imports	289	1,806	3,256	7,011	2,862	-59.2
GSP imports	-	-	-	27	-	-100.0

See notes at end of table.

Table B-2—Continued
Comoros: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	-	-	555	-	-	-
Imports	9,396	5,866	1,824	6,064	2,449	-59.6
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	150	37	59	-	13	-
Imports	148	109	392	104	103	-1.1
GSP imports	-	-	305	-	-	-
Electronic products:						
Exports	4	40	38	15	60	296.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	5	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	7	-	-	35	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	2	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	12	3	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	61	13	11	5	1	-83.4
Imports	30	20	7	19	10	-45.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	-	3	-	-	-	-
Imports	-	39	1	30	-	-100.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	75	-	16	23	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	309	101	679	78	74	-5.4
Imports	9,573	6,034	2,224	6,217	2,565	-58.7
GSP imports	-	-	305	-	-	-

See notes at end of table.

Table B-2—Contimued
Congo (DROC): U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	10,755	10,491	30,969	24,272	13,726	-43.5
Imports	1,955	1,610	4,176	3,719	1,525	-59.0
GSP imports	-	5	356	225	301	33.7
Chemicals and related products:						
Exports	2,020	2,251	2,296	3,400	1,551	-54.4
Imports	3,235	11,974	1,203	6,972	9,264	32.9
GSP imports	617	957	1,108	79	469	495.0
Electronic products:						
Exports	3,111	3,140	7,996	6,233	5,297	-15.0
Imports	1	33	8	45	-	-100.0
GSP imports	-	-	-	22	-	-100.0
Energy-related products:						
Exports	226	198	262	269	137	-49.1
Imports	128,587	105,999	132,432	132,637	121,349	-8.5
GSP imports	-	-	-	-	14,658	-
Footwear:						
Exports	533	485	732	409	109	-73.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	142	133	216	112	81	-27.6
Imports	372	222	371	953	477	-50.0
GSP imports	35	92	50	95	139	46.5
Machinery:						
Exports	1,043	2,312	2,480	2,155	2,702	25.4
Imports	3,676	-	5	1	2	18.7
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	986	2,398	4,637	1,993	575	-71.2
Imports	101,911	63,687	128,168	115,578	123,018	6.4
GSP imports	30,020	190	78	64	109	70.7
Miscellaneous manufactures:						
Exports	53	126	18	203	53	-74.0
Imports	867	1,899	859	2,639	6,524	147.2
GSP imports	421	553	372	165	183	10.5
Special provisions:						
Exports	1,955	2,555	3,005	3,544	1,689	-52.4
Imports	138	858	169	190	1,073	464.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	8,149	9,060	14,491	12,170	6,966	-42.8
Imports	3	7	11	36	23	-37.1
GSP imports	-	-	-	-	([2])	-
Transportation equipment:						
Exports	6,170	6,273	9,713	18,463	4,700	-74.5
Imports	-	679	-	-	107	-
GSP imports	-	623	-	-	-	-
All sectors:						
Exports	35,145	39,421	76,817	73,223	37,585	-48.7
Imports	240,746	186,968	267,402	262,770	263,363	0.2
GSP imports	31,093	2,419	1,965	650	15,860	([1])

See notes at end of table.

Table B-2—Continued
Congo (ROC): U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	465	6,250	6,048	6,829	5,215	-23.6
Imports	3,076	11	-	2,545	6,723	164.2
GSP imports	2,939	11	-	2,476	6,490	162.2
Chemicals and related products:						
Exports	3,522	2,214	2,721	2,872	4,405	53.4
Imports	45	1	126	6,234	10,102	62.0
GSP imports	-	([2])	-	-	-	-
Electronic products:						
Exports	2,694	1,000	2,963	4,732	6,026	27.3
Imports	-	16	105	44	34	-23.1
GSP imports	-	-	-	-	1	-
Energy-related products:						
Exports	151	224	280	526	3,115	491.8
Imports	492,913	387,973	173,935	269,754	424,628	57.4
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	12	-	411	505	23.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	12	131	17	95	81	-14.7
Imports	530	470	2,695	4,515	3,238	-28.3
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	2,307	3,190	7,738	5,875	8,354	42.2
Imports	726	-	-	3	14	331.2
GSP imports	-	-	-	2	-	-100.0
Minerals and metals:						
Exports	1,327	3,855	5,064	6,054	10,875	79.6
Imports	751	13,784	16,015	19,123	14,944	-21.9
GSP imports	-	-	-	-	3	-
Miscellaneous manufactures:						
Exports	140	25	30	52	107	107.0
Imports	20	46	55	14	686	([1])
GSP imports	-	-	-	-	14	-
Special provisions:						
Exports	1,690	1,190	1,835	1,898	2,644	39.3
Imports	1,917	707	558	494	381	-23.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	171	27	3	89	6,329	([1])
Imports	1	-	-	-	1	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	14,882	19,776	27,704	32,399	27,598	-14.8
Imports	30	22	-	-	12	-
GSP imports	-	-	-	-	12	-
All sectors:						
Exports	27,360	37,893	54,402	61,833	75,256	21.7
Imports	500,009	403,030	193,489	302,725	460,762	52.2
GSP imports	2,939	11	-	2,477	6,520	163.2

See notes at end of table.

Table B-2—Continued
Côte d'Ivoire: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	26,742	24,815	37,959	22,208	20,580	-7.3
Imports	128,594	142,031	168,828	290,387	226,738	-21.9
GSP imports	12,499	10,050	7,525	8,734	8,790	0.6
Chemicals and related products:						
Exports	11,549	19,244	32,580	35,802	39,014	9.0
Imports	6,826	8,928	13,120	23,989	13,164	-45.1
GSP imports	5	2	-	3	54	([1])
Electronic products:						
Exports	7,267	19,739	5,234	6,962	7,663	10.1
Imports	941	1,105	9,494	12,562	1,321	-89.5
GSP imports	549	-	-	13	3	-73.3
Energy-related products:						
Exports	1,637	180	2,793	2,641	890	-66.3
Imports	25,901	6,273	5,426	59,136	32,572	-44.9
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	43	192	207	161	154	-4.2
Imports	1,177	512	177	74	22	-69.7
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	7,047	7,701	22,957	10,738	7,172	-33.2
Imports	3,939	4,911	4,762	7,634	5,693	-25.4
GSP imports	393	580	337	244	363	48.9
Machinery:						
Exports	7,503	12,857	10,935	10,155	26,162	157.6
Imports	75	354	46	109	108	-0.1
GSP imports	2	8	-	-	3	-
Minerals and metals:						
Exports	1,449	3,320	6,000	6,584	5,230	-20.6
Imports	3,725	867	8,313	6,162	2,063	-66.5
GSP imports	5	23	28	8	61	648.8
Miscellaneous manufactures:						
Exports	271	502	374	916	562	-38.6
Imports	821	18,510	1,123	1,311	1,974	50.6
GSP imports	12	28	19	28	73	163.2
Special provisions:						
Exports	3,597	2,954	3,903	3,272	4,073	24.5
Imports	2,531	547	1,957	1,604	1,069	-33.4
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	4,907	5,610	10,607	12,421	9,059	-27.1
Imports	3,556	1,266	796	677	789	16.5
GSP imports	3	2	10	1	64	([1])
Transportation equipment:						
Exports	15,734	12,935	38,767	28,469	29,183	2.5
Imports	135	41	37	18	75	307.9
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	87,744	110,051	172,315	140,328	149,743	6.7
Imports	178,221	185,345	214,078	403,662	285,590	-29.3
GSP imports	13,467	10,693	7,919	9,030	9,412	4.2

See notes at end of table.

Table B-2—Continued
Djibouti: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	4,042	2,243	3,632	3,613	2,246	-37.8
Imports	25	20	-	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	61	234	146	467	453	-2.9
Imports	-	1	-	-	([2])	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	886	817	185	177	785	344.7
Imports	-	-	26	-	-	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	25	-	4	9	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	99	40	98	13	-	-100.0
Imports	2	-	2	-	-	-
GSP imports	2	-	-	-	-	-
Machinery:						
Exports	988	726	588	671	580	-13.7
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	89	24	4	121	12	-89.9
Imports	-	27	-	8	-	-100.0
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	134	70	28	50	-	-100.0
Imports	-	-	6	-	-	-
GSP imports	-	-	6	-	-	-
Special provisions:						
Exports	899	303	452	242	161	-33.6
Imports	2	14	-	-	-	-
GSP imports	-	-	-	-	-	
Textiles and apparel:						
Exports	5,538	2,014	3,290	2,590	2,655	2.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	191	232	29	285	381	33.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	12,953	6,703	8,457	8,237	7,272	-11.7
Imports	28	62	34	8	([2])	-94.5
GSP imports	2	-	6	-	-	-

See notes at end of table.

Table B-2—Continued
Equatorial Guinea: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	-	17	13	-	79	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	350	41	881	385	405	5.1
Imports	-	23	-	6,156	-	-100.0
GSP imports	-	23	-	-	-	-
Electronic products:						
Exports	217	108	177	233	265	14.0
Imports	-	289	423	3	96	([1])
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	163	224	38.0
Imports	3,640	-	27,648	69,104	28,573	-58.7
GSP imports	-	-	-	-	12,968	-
Footwear:						
Exports	158	-	-	7	9	25.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	17	42	22	59	42	-29.1
Imports	-	-	2,339	304	631	107.9
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	238	66	1,131	2,097	4,825	130.1
Imports	-	-	20	17	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	41	8	98	2,498	450	-82.0
Imports	-	-	-	9	87	869.4
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	-	-	502	334	-33.5
Imports	-	13	3	-	-	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	378	23	98	278	1,074	285.6
Imports	40	1	501	298	1,098	268.4
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	78	128	145	381	5	-98.6
Imports	-	-	34	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	1,956	1,460	2,769	10,126	39,351	288.6
Imports	-	-	-	62	-	-100.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	3,433	1,894	5,335	16,729	47,063	181.3
Imports	3,680	326	30,969	75,953	30,485	-59.9
GSP imports	-	23	-	-	12,968	-

See notes at end of table.

Table B-2—Continued
Eritrea: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97[3]

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	264	5,919	3,310	7,716	4,134	-46.4
Imports	-	12	84	205	478	133.7
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	-	5	21	275	1,543	460.7
Imports	-	-	75	4	2	-49.0
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	430	637	2,303	1,456	3,018	107.3
Imports	-	-	33	3	19	477.7
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	-	72	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	91	48	73	315	332.2
Imports	-	-	17	1,092	767	-29.7
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	4	397	2,120	3,048	825	-72.9
Imports	-	-	-	75	8	-90.1
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	-	18	4	147	2,475	([1])
Imports	-	-	-	-	20	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	-	125	22	257	([1])
Imports	-	70	-	3	-	-100.0
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	216	375	650	634	557	-12.2
Imports	-	17	12	-	-	-
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	-	-	5	97	1,292	([1])
Imports	-	4	41	165	-	-100.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	4	711	7,955	444	1,280	188.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	918	8,154	16,540	13,912	15,766	13.3
Imports	-	103	262	1,548	1,294	-16.4
GSP imports	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Ethiopia: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97[4]

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	69,013	85,500	62,862	36,118	17,761	-50.8
Imports	19,808	31,672	29,713	23,399	65,177	178.5
GSP imports	28	-	40	81	156	93.3
Chemicals and related products:						
Exports	15,880	6,861	27,042	23,647	20,914	-11.6
Imports	88	120	1,009	748	873	16.7
GSP imports	1	1	363	-	552	-
Electronic products:						
Exports	4,296	8,873	5,963	4,889	9,954	103.6
Imports	-	8	1	11	-	-100.0
GSP imports	-	-	-	1	-	-100.0
Energy-related products:						
Exports	52	123	46	234	128	-45.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	9	8	4	-45.5
Imports	1	2	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	1,253	654	1,495	1,328	704	-47.0
Imports	7	21	7	9	2	-83.1
GSP imports	2	2	-	5	2	-70.1
Machinery:						
Exports	3,969	8,398	17,487	34,243	15,165	-55.7
Imports	-	62	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	523	504	563	607	670	10.4
Imports	6	11	270	2,910	1,518	-47.8
GSP imports	-	7	2	-	-	-
Miscellaneous manufactures:						
Exports	117	203	269	449	286	-36.3
Imports	396	39	16	20	1,012	([1])
GSP imports	16	34	8	5	22	378.7
Special provisions:						
Exports	7,790	6,626	7,858	5,951	5,971	0.3
Imports	1,586	967	860	1,056	932	-11.7
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	1,500	942	1,273	1,405	1,240	-11.7
Imports	166	1,185	907	430	137	-68.2
GSP imports	-	103	-	-	-	-
Transportation equipment:						
Exports	31,668	23,738	21,925	36,123	47,495	31.5
Imports	5	14	-	6,002	-	-100.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	136,061	142,421	146,792	145,002	120,292	-17.0
Imports	22,063	34,100	32,784	34,586	69,651	101.4
GSP imports	47	147	413	92	732	697.2

See notes at end of table.

Table B-2—Continued
Gabon: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	1,867	1,553	1,053	1,334	1,882	41.1
Imports	292	465	299	1,289	387	-70.0
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	1,315	1,976	2,002	2,465	2,099	-14.9
Imports	327	408	411	18,260	63,513	247.8
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	3,189	4,482	2,564	2,649	5,016	89.3
Imports	3	12	8	71	295	313.2
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	619	910	534	934	2,248	140.6
Imports	905,257	1,207,818	1,540,001	1,791,595	1,931,921	7.8
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	3	10	11	10.8
Imports	36	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	241	1,543	1,169	110	1,251	([1])
Imports	5	138	154	190	265	39.3
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	5,550	6,673	6,523	4,735	8,836	86.6
Imports	3	112	-	205	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	1,415	965	2,103	929	10,363	([1])
Imports	15,353	22,276	20,570	27,280	22,224	-18.5
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	117	370	828	560	274	-51.0
Imports	108	431	56	360	331	-8.0
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	1,049	1,406	1,650	1,132	3,641	221.6
Imports	1,287	1,046	2,375	2,960	3,306	11.7
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	920	310	377	726	659	-9.1
Imports	11	3	1	15	33	124.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	31,092	19,883	35,110	40,059	44,744	11.7
Imports	-	-	-	105	-	-100.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	47,374	40,071	53,918	55,641	81,023	45.6
Imports	922,682	1,232,709	1,563,875	1,842,331	2,022,275	9.8
GSP imports	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
The Gambia: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	4,621	1,442	3,048	3,208	3,882	21.0
Imports	6,352	15	26	7	32	391.7
GSP imports	10	6	5	7	-	-100.0
Chemicals and related products:						
Exports	1,999	98	148	322	372	15.5
Imports	1	-	4	-	3	-
GSP imports	1	-	-	-	-	-
Electronic products:						
Exports	1,033	682	771	295	1,214	311.0
Imports	-	15	26	4	7	65.7
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	40	-	-	-	20	-
Imports	-	-	-	-	624	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	11	-
Imports	-	-	-	([2])	8	([1])
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	36	-	162	7	40	513.0
Imports	10	2	12	2	8	300.9
GSP imports	3	-	12	2	3	63.7
Machinery:						
Exports	580	500	182	352	686	95.0
Imports	-	-	2	-	22	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	149	149	326	423	196	-53.5
Imports	1,992	1,951	2,096	1,667	2,290	37.4
GSP imports	-	-	2	-	-	-
Miscellaneous manufactures:						
Exports	86	48	21	147	16	-89.4
Imports	4	11	13	200	60	-69.8
GSP imports	3	2	10	3	56	([1])
Special provisions:						
Exports	264	261	634	888	490	-44.8
Imports	26	221	7	7	415	([1])
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	1,219	470	628	1,493	1,128	-24.4
Imports	209	459	62	26	34	27.7
GSP imports	1	-	([2])	-	([2])	-
Transportation equipment:						
Exports	51	202	68	1,223	1,462	19.5
Imports	-	11	10	14	13	-9.7
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	10,077	3,852	5,988	8,357	9,517	13.9
Imports	8,594	2,685	2,259	1,927	3,516	82.4
GSP imports	17	8	29	11	60	429.9

See notes at end of table.

Table B-2—Continued
Ghana: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	45,378	36,631	46,527	66,040	53,356	-19.2
Imports	58,506	17,362	58,699	40,415	16,000	-60.4
GSP imports	1,578	939	677	695	1,144	64.5
Chemicals and related products:						
Exports	41,648	15,005	27,333	40,350	45,999	14.0
Imports	66	157	646	1,553	1,995	28.5
GSP imports	-	1	-	3	23	786.8
Electronic products:						
Exports	9,777	8,203	9,867	21,644	15,172	-29.9
Imports	42	14	9	180	52	-71.2
GSP imports	-	-	-	5	-	-100.0
Energy-related products:						
Exports	506	5,280	7,903	13,000	10,736	-17.4
Imports	11,243	21,118	-	2,695	-	-100.0
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	470	297	387	543	885	63.1
Imports	1	([2])	-	1	([2])	-32.9
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	8,353	1,361	2,750	3,019	7,059	133.8
Imports	2,226	4,192	6,723	10,689	16,260	52.1
GSP imports	347	455	637	586	1,743	197.2
Machinery:						
Exports	37,453	11,915	15,514	17,932	49,197	174.4
Imports	90	-	25	26	83	220.5
GSP imports	-	-	-	-	6	-
Minerals and metals:						
Exports	11,678	5,187	7,121	7,779	13,564	74.4
Imports	126,826	152,903	125,112	113,540	116,440	2.6
GSP imports	412	1,264	97	67	218	223.5
Miscellaneous manufactures:						
Exports	3,313	1,479	1,125	2,206	7,404	235.6
Imports	111	303	542	356	1,415	296.9
GSP imports	96	194	331	151	312	106.9
Special provisions:						
Exports	9,481	5,008	6,744	11,319	13,523	19.5
Imports	8,276	510	1,331	966	563	-41.7
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	10,701	7,303	7,759	11,091	13,098	18.1
Imports	1,081	1,920	2,981	913	1,259	37.9
GSP imports	41	16	34	1	3	214.7
Transportation equipment:						
Exports	32,532	23,700	33,671	99,406	82,807	-16.7
Imports	-	7	6	21	2	-90.4
GSP imports	-	-	2	21	-	-100.0
All sectors:						
Exports	211,291	121,369	166,701	294,330	312,801	6.3
Imports	208,469	198,486	196,074	171,354	154,069	-10.1
GSP imports	2,474	2,869	1,778	1,530	3,450	125.6

See notes at end of table.

Table B-2—Continued
Guinea: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	27,116	16,801	29,296	22,165	15,202	-31.4
Imports	649	311	333	1,554	6,335	307.6
GSP imports	47	4	5	33	1	-95.7
Chemicals and related products:						
Exports	5,280	5,045	5,204	5,404	5,799	7.3
Imports	4,873	1	91	4,922	254	-94.8
GSP imports	-	1	-	-	-	-
Electronic products:						
Exports	3,464	3,712	4,085	6,189	5,330	-13.9
Imports	3	153	627	43	63	48.1
GSP imports	-	11	-	-	-	-
Energy-related products:						
Exports	1,634	1,262	1,267	2,758	4,481	62.5
Imports	4,490	-	-	13,725	-	-100.0
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	31	91	49	161	254	58.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	1,036	981	1,321	1,346	1,281	-4.8
Imports	59	15	12	4	288	([1])
GSP imports	9	13	3	-	49	-
Machinery:						
Exports	2,755	2,812	3,078	5,343	8,879	66.2
Imports	20	3	39	7	-	-100.0
GSP imports	-	3	11	-	-	-
Minerals and metals:						
Exports	1,729	1,417	1,431	2,879	2,428	-15.6
Imports	102,258	90,012	91,042	93,293	119,510	28.1
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	470	278	417	406	921	126.6
Imports	199	42	49	44	173	289.0
GSP imports	3	4	3	19	32	71.2
Special provisions:						
Exports	4,450	5,229	7,884	10,034	9,083	-9.5
Imports	408	2,202	688	1,805	1,015	-43.7
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	1,591	2,016	2,594	4,585	5,133	11.9
Imports	10	74	155	13	28	116.4
GSP imports	-	-	-	-	1	-
Transportation equipment:						
Exports	7,704	7,651	9,675	25,429	23,288	-8.4
Imports	3	3	80	12	6	-49.2
GSP imports	-	-	-	-	3	-
All sectors:						
Exports	57,260	47,295	66,302	86,698	82,081	-5.3
Imports	112,974	92,815	93,115	115,421	127,671	10.6
GSP imports	60	36	23	51	87	69.3

See notes at end of table.

Table B-2—Continued
Guinea-Bissau: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	652	21	377	-	1,141	-
Imports	-	-	-	41	56	34.1
GSP imports	-	-	-	-	6	-
Chemicals and related products:						
Exports	-	205	-	41	125	202.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	403	512	477	423	701	65.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	4,366	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	57	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	5	-	31	29	-8.0
Imports	-	-	39	5	-	-100.0
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	-	14	-	1,018	392	-61.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	-	-	-	59	15	-74.5
Imports	198	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	26	30	-	33	-	-100.0
Imports	-	-	-	-	15	-
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	17	31	14	118	44	-62.5
Imports	10	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	-	-	-	-	39	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	546	106	-	951	3	-99.7
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	1,644	980	868	7,041	2,488	-64.7
Imports	209	-	39	46	71	52.1
GSP imports	-	-	-	-	6	-

See notes at end of table.

Table B-2—Continued
Kenya: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					Percent
Agriculture products:						
Exports	29,187	57,394	33,912	10,181	31,871	213.1
Imports	44,831	53,627	48,640	53,399	56,746	6.3
GSP imports	3,037	3,938	2,119	1,217	899	-26.2
Chemicals and related products:						
Exports	17,863	26,378	17,134	27,993	31,667	13.1
Imports	865	1,495	1,477	1,830	3,793	107.3
GSP imports	-	91	19	144	13	-90.7
Electronic products:						
Exports	8,470	13,699	11,881	10,125	14,040	38.7
Imports	1,542	1,427	3,778	3,803	4,454	17.1
GSP imports	39	12	211	323	139	-57.0
Energy-related products:						
Exports	2,184	3,260	2,278	1,351	1,480	9.6
Imports	8,008	101	-	-	53	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	4	107	273	310	178	-42.5
Imports	123	307	1	1	76	([1])
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	1,487	1,609	3,286	1,912	3,139	64.2
Imports	2,230	2,513	2,159	2,153	3,003	39.5
GSP imports	2,138	2,208	1,938	1,952	2,872	47.2
Machinery:						
Exports	19,371	10,309	12,707	12,444	20,271	62.9
Imports	1,135	236	166	1,081	518	-52.1
GSP imports	8	173	-	7	84	([1])
Minerals and metals:						
Exports	1,064	1,262	2,344	1,663	1,936	16.4
Imports	2,965	3,741	2,874	4,176	3,542	-15.2
GSP imports	1,367	1,969	1,738	1,380	2,042	48.0
Miscellaneous manufactures:						
Exports	1,058	1,469	471	861	1,674	94.4
Imports	1,161	1,691	1,331	3,292	4,256	29.3
GSP imports	595	726	465	584	1,249	113.7
Special provisions:						
Exports	8,057	25,958	5,296	6,952	5,466	-21.4
Imports	4,836	7,760	4,237	2,383	6,051	153.9
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	2,624	3,383	3,422	4,787	5,192	8.4
Imports	24,001	37,986	36,666	27,803	31,794	14.4
GSP imports	11	22	122	4	65	([1])
Transportation equipment:						
Exports	24,096	23,656	19,642	22,736	105,920	365.9
Imports	577	81	107	112	59	-47.2
GSP imports	-	-	-	38	4	-88.8
All sectors:						
Exports	115,464	168,484	112,646	101,314	222,834	119.9
Imports	92,276	110,964	101,435	100,035	114,347	14.3
GSP imports	7,194	9,140	6,611	5,649	7,367	30.4

See notes at end of table.

Table B-2—Continued
Lesotho: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					Percent
Agriculture products:						
Exports	2,482	2,709	1,496	1,939	1,119	-42.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	136	34	15	16	-	-100.0
Imports	-	13	2	-	1	-
GSP imports	-	13	2	-	-	-
Electronic products:						
Exports	113	116	122	77	22	-71.0
Imports	-	-	-	-	7	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	-	4	-	4	-	-100.0
Imports	-	-	-	3	-	-100.0
GSP imports	-	-	-	3	-	-100.0
Machinery:						
Exports	44	36	24	6	6	-5.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	-	-	-	-	-	-
Imports	458	83	83	-	2	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	47	-	-	-	79	-
Imports	-	30	1	2	-	-100.0
GSP imports	-	30	1	-	-	-
Special provisions:						
Exports	347	72	259	78	636	715.6
Imports	170	155	32	65	40	-38.6
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	150	11	35	173	88	-49.3
Imports	55,093	62,456	61,792	64,928	86,556	33.3
GSP imports	2	8	-	-	-	-
Transportation equipment:						
Exports	694	349	35	346	421	21.4
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	4,014	3,331	1,986	2,640	2,370	-10.2
Imports	55,721	62,737	61,909	64,997	86,605	33.2
GSP imports	2	51	3	3	-	-100.0

See notes at end of table.

Table B-2—Continued
Liberia: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	14,008	36,193	29,839	35,199	18,561	-47.3
Imports	-	3	2	69	49	-29.7
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	776	835	963	1,097	1,365	24.4
Imports	648	971	1,562	83	1,496	([1])
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	921	1,777	866	1,289	3,363	160.9
Imports	12	134	8	179	13	-92.8
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	34	8	1,901	112	217	92.9
Imports	-	157	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	51	266	258	247	311	25.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	265	233	559	306	450	47.2
Imports	-	32	-	2	2	-36.0
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	558	475	415	475	1,006	111.7
Imports	15	2	85	-	113	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	120	214	58	575	571	-0.6
Imports	2,089	2,123	7,987	26,134	2,548	-90.3
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	446	220	138	57	273	381.4
Imports	115	2	23	14	54	300.1
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	875	3,295	3,792	7,039	7,260	3.1
Imports	137	20	43	365	556	52.1
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	1,202	2,072	1,632	2,025	4,953	144.6
Imports	45	-	-	8	6	-31.7
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	749	622	1,132	1,269	4,357	243.4
Imports	23	29	19	38	16	-58.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	20,003	46,210	41,552	49,690	42,686	-14.1
Imports	3,084	3,471	9,728	26,893	4,852	-82.0
GSP imports	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Madagascar: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	3,657	2,214	2,860	1,675	4,707	181.0
Imports	36,052	47,108	38,484	25,318	39,864	57.5
GSP imports	49	5,894	3,326	247	6,276	([1])
Chemicals and related products:						
Exports	148	121	296	1,369	1,115	-18.5
Imports	713	1,000	941	794	649	-18.3
GSP imports	-	-	-	8	-	-100.0
Electronic products:						
Exports	1,650	5,692	1,807	1,995	1,509	-24.3
Imports	2	128	665	857	756	-11.8
GSP imports	-	87	614	801	748	-6.6
Energy-related products:						
Exports	-	125	35	25	110	340.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	3	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	13	196	104	57	89	54.7
Imports	407	882	3,064	2,891	1,678	-42.0
GSP imports	312	772	1,766	1,633	1,140	-30.2
Machinery:						
Exports	377	1,085	681	1,956	659	-66.3
Imports	-	-	-	-	48	-
GSP imports	-	-	-	-	15	-
Minerals and metals:						
Exports	87	198	143	37	52	38.9
Imports	2,798	3,070	3,091	3,541	2,784	-21.4
GSP imports	471	340	79	53	208	293.8
Miscellaneous manufactures:						
Exports	2,715	103	45	30	58	94.1
Imports	307	855	652	160	528	230.8
GSP imports	80	108	19	95	325	241.4
Special provisions:						
Exports	1,166	382	237	506	684	35.2
Imports	89	162	2,449	237	154	-34.9
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	25	22	465	66	113	70.0
Imports	2,343	3,514	7,888	11,878	16,029	34.9
GSP imports	426	566	875	829	596	-28.1
Transportation equipment:						
Exports	976	37,138	2,827	3,556	2,124	-40.3
Imports	-	-	5	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	10,815	47,279	9,502	11,271	11,219	-0.5
Imports	42,711	56,719	57,238	45,675	62,489	36.8
GSP imports	1,338	7,767	6,678	3,666	9,308	153.9

See notes at end of table.

Table B-2—Continued
Malawi: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	6,235	3,595	7,583	325	-	-100.0
Imports	75,975	44,235	36,342	60,869	89,011	46.2
GSP imports	4,705	3,944	285	7,606	29,228	284.3
Chemicals and related products:						
Exports	695	432	991	1,541	1,114	-27.7
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	1,545	1,440	3,560	2,450	4,398	79.5
Imports	-	2	74	-	-	-
GSP imports	-	2	-	-	-	-
Energy-related products:						
Exports	-	-	26	9	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	29	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	1,329	1,292	416	113	346	207.1
Imports	19	1	34	134	27	-79.9
GSP imports	14	-	18	130	27	-79.3
Machinery:						
Exports	2,990	4,708	767	773	2,386	208.6
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	314	206	33	19	35	83.0
Imports	6	6	18	-	19	-
GSP imports	6	-	-	-	16	-
Miscellaneous manufactures:						
Exports	4	-	61	33	-	-100.0
Imports	37	59	81	35	32	-6.3
GSP imports	6	5	3	9	-	-100.0
Special provisions:						
Exports	1,520	3,353	3,412	2,528	6,235	146.7
Imports	27	19	40	59	38	-34.9
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	68	353	492	3,220	2,921	-9.3
Imports	8,176	3,766	2,265	1,488	276	-81.5
GSP imports	-	-	([2])	-	-	-
Transportation equipment:						
Exports	1,119	3,279	470	2,176	85	-96.1
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	15,818	18,657	17,810	13,216	17,520	32.6
Imports	84,239	48,089	38,854	62,584	89,403	42.9
GSP imports	4,731	3,951	306	7,744	29,270	278.0

See notes at end of table.

Table B-2—Continued
Mali: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	1,810	494	2,052	1,258	5,957	373.3
Imports	119	322	179	1,031	549	-46.7
GSP imports	92	20	14	19	386	([1])
Chemicals and related products:						
Exports	1,180	2,420	1,406	875	2,641	201.7
Imports	50	43	80	195	140	-28.5
GSP imports	-	18	23	10	129	([1])
Electronic products:						
Exports	2,062	988	2,761	2,546	2,627	3.2
Imports	195	1,153	2,452	1,376	231	-83.2
GSP imports	10	77	11	-	9	-
Energy-related products:						
Exports	-	-	31	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	30	-	33	156	112	-28.1
Imports	-	-	-	1	-	-100.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	335	12	274	297	1,290	334.9
Imports	212	146	56	89	149	67.9
GSP imports	194	117	51	61	141	131.2
Machinery:						
Exports	10,866	8,271	10,848	5,895	7,564	28.3
Imports	204	-	562	119	55	-53.5
GSP imports	-	-	347	65	-	-100.0
Minerals and metals:						
Exports	3,634	583	109	104	442	325.5
Imports	42	204	66	290	618	113.0
GSP imports	34	4	3	76	198	158.8
Miscellaneous manufactures:						
Exports	417	782	88	67	354	426.7
Imports	142	1,139	322	1,557	1,107	-28.9
GSP imports	35	64	41	15	50	228.3
Special provisions:						
Exports	469	422	524	883	517	-41.4
Imports	119	852	717	538	671	24.8
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	1,861	1,699	2,941	1,512	1,381	-8.7
Imports	176	187	1,043	271	278	2.5
GSP imports	2	8	284	5	7	38.4
Transportation equipment:						
Exports	9,815	3,339	2,050	4,599	3,070	-33.3
Imports	121	26	18	-	7	-
GSP imports	-	26	-	-	-	-
All sectors:						
Exports	32,478	19,009	23,118	18,193	25,956	42.7
Imports	1,378	4,073	5,495	5,467	3,806	-30.4
GSP imports	367	334	775	252	919	264.7

See notes at end of table.

Table B-2—Continued
Mauritania: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	4,381	5,791	27,505	4,951	12,068	143.7
Imports	13	-	-	5	-	-100.0
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	213	821	253	373	70	-81.3
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	614	640	8,182	1,715	1,569	-8.5
Imports	16	60	3	5	-	-100.0
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	61	22	29	9	16	68.8
Imports	1,976	1,240	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	([2])	-	-	9	-	-100.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	4	14	-	93	24	-73.7
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	447	1,279	1,776	843	144	-83.0
Imports	-	-	-	-	6	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	4,379	1,390	1,699	2,166	1,659	-23.4
Imports	3,747	2,192	5,523	5,088	-	-100.0
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	-	-	41	3	-93.8
Imports	-	11	-	-	-	-
GSP imports	-	11	-	-	-	-
Special provisions:						
Exports	231	565	515	132	543	310.9
Imports	605	1	14	40	207	417.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	79	78	-	17	158	848.3
Imports	94	13	-	148	28	-81.3
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	8,760	3,344	2,978	4,220	4,588	8.7
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	19,170	13,943	42,939	14,559	20,841	43.1
Imports	6,451	3,517	5,540	5,294	241	-95.5
GSP imports	-	11	-	-	-	-

See notes at end of table.

Table B-2—Continued
Mauritius: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	901	510	516	498	447	-10.3
Imports	14,512	10,541	10,647	24,153	30,524	26.4
GSP imports	10,897	8,837	3,160	11,545	15,825	37.1
Chemicals and related products:						
Exports	530	992	1,252	1,338	1,606	20.1
Imports	89	130	296	336	70	-79.3
GSP imports	9	62	-	13	8	-38.1
Electronic products:						
Exports	3,460	4,099	7,908	4,900	13,176	168.9
Imports	11,827	10,903	15,888	15,473	7,193	-53.5
GSP imports	4,660	4,830	5,678	4,550	3,953	-13.1
Energy-related products:						
Exports	165	850	36	-	14	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	80	-	-100.0
Imports	412	24	68	70	37	-47.5
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	949	734	1,228	1,087	1,278	17.6
Imports	55	115	464	219	184	-15.7
GSP imports	20	52	19	-	-	-
Machinery:						
Exports	3,577	8,251	3,312	3,651	2,910	-20.3
Imports	386	995	1,620	1,551	801	-48.3
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	889	381	697	1,427	252	-82.4
Imports	1,741	3,553	4,602	3,656	6,791	85.8
GSP imports	150	107	103	181	85	-53.3
Miscellaneous manufactures:						
Exports	739	528	1,373	1,388	972	-30.0
Imports	3,988	2,111	3,798	3,677	2,550	-30.7
GSP imports	2,434	1,789	1,507	1,884	1,761	-6.5
Special provisions:						
Exports	678	867	842	1,055	1,181	12.0
Imports	859	836	814	1,280	1,585	23.8
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	997	1,068	1,300	520	376	-27.7
Imports	162,339	187,298	191,029	165,220	184,587	11.7
GSP imports	-	6	9	-	-	-
Transportation equipment:						
Exports	2,081	706	977	5,086	3,953	-22.3
Imports	231	264	367	617	1,063	72.2
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	14,966	18,987	19,441	21,029	26,165	24.4
Imports	196,440	216,769	229,594	216,251	235,384	8.8
GSP imports	18,170	15,683	10,476	18,173	21,633	19.0

See notes at end of table.

Table B-2—Continued
Mozambique: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	24,768	19,483	28,347	9,934	26,336	165.1
Imports	6,581	19,763	23,993	25,406	28,301	11.4
GSP imports	-	17,156	20,083	12,419	16,090	29.6
Chemicals and related products:						
Exports	1,625	1,848	1,505	1,425	1,676	17.6
Imports	1	-	239	43	-	-100.0
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	3,269	4,381	1,801	2,585	1,339	-48.2
Imports	-	6	15	4	8	119.2
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	55	38	41	11	-	-100.0
Imports	-	-	1,417	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	103	79	-22.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	19	142	189	37	41	8.9
Imports	35	21	-	68	19	-72.4
GSP imports	-	-	-	4	-	-100.0
Machinery:						
Exports	2,147	2,107	1,106	1,646	3,192	93.9
Imports	21	-	-	-	255	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	138	193	1,175	233	138	-40.7
Imports	108	147	927	482	429	-11.0
GSP imports	107	65	7	18	48	171.7
Miscellaneous manufactures:						
Exports	67	11	35	1,072	153	-85.8
Imports	4	165	2	20	133	571.3
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	1,049	1,340	1,450	936	1,049	12.1
Imports	170	219	655	82	266	224.4
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	3,889	2,749	3,513	3,018	6,395	111.9
Imports	1,425	465	282	447	156	-65.1
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	2,340	6,980	9,842	1,611	5,263	226.7
Imports	4	11	14	-	65	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	39,366	39,272	49,004	22,612	45,662	101.9
Imports	8,350	20,796	27,544	26,552	29,631	11.6
GSP imports	107	17,221	20,090	12,440	16,138	29.7

See notes at end of table.

Table B-2—Continued
Namibia: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	9,590	1,161	4,649	4,883	920	-81.2
Imports	7,636	5,238	3,738	11,569	31,821	175.1
GSP imports	3,583	1,909	1,538	292	2,145	635.0
Chemicals and related products:						
Exports	340	368	354	154	350	126.7
Imports	11	60	12	19	5	-73.5
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	3,399	5,269	2,455	2,460	2,017	-18.0
Imports	4	93	17	32	14	-56.8
GSP imports	-	-	-	-	1	-
Energy-related products:						
Exports	-	-	24	24	60	149.3
Imports	9,055	15,436	5,819	12,724	26,211	106.0
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	18	-	-	1	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	197	34	65	68	12	-81.6
Imports	1	167	479	38	57	49.8
GSP imports	-	3	16	29	52	81.0
Machinery:						
Exports	178	493	1,437	811	4,754	485.8
Imports	1	4	37	12	9	-26.2
GSP imports	-	-	22	-	-	-
Minerals and metals:						
Exports	67	77	336	238	52	-77.9
Imports	934	8,089	322	305	1,514	395.7
GSP imports	-	4,558	-	100	644	543.8
Miscellaneous manufactures:						
Exports	445	234	422	198	246	24.1
Imports	450	48	11	590	40	-93.3
GSP imports	-	-	-	30	-	-100.0
Special provisions:						
Exports	1,596	2,886	4,360	4,133	3,496	-15.4
Imports	3,863	800	963	1,634	2,638	61.4
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	92	173	130	100	71	-28.7
Imports	61	117	51	20	28	43.9
GSP imports	3	-	21	-	1	-
Transportation equipment:						
Exports	3,694	5,493	12,300	8,810	13,080	48.5
Imports	12	106	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	19,598	16,188	26,532	21,879	25,058	14.5
Imports	22,028	30,176	11,450	26,944	62,338	131.4
GSP imports	3,586	6,470	1,598	451	2,843	530.3

See notes at end of table.

Table B-2—Continued
Niger: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	2,016	1,078	2,077	1,144	2,048	79.1
Imports	141	808	345	116	269	132.0
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	4,275	1,840	244	1,015	1,230	21.2
Imports	1,079	62	136	66	453	582.7
GSP imports	-	-	-	-	3	-
Electronic products:						
Exports	1,218	1,067	908	1,470	1,863	26.8
Imports	417	33	90	72	27	-62.2
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	13	15	20	37.9
Imports	2,490	1,948	-	-	5,897	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	32	13	-	125	199	59.6
Imports	-	([2])	([2])	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	192	289	98	300	116	-61.3
Imports	-	8	8	4	5	27.5
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	2,890	326	169	542	173	-68.1
Imports	147	188	92	217	147	-32.3
GSP imports	-	-	-	49	-	-100.0
Minerals and metals:						
Exports	144	78	50	41	566	([1])
Imports	21	13	10	7	24	252.3
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	71	125	347	271	62	-77.2
Imports	43	314	463	62	78	27.3
GSP imports	15	14	14	25	10	-59.9
Special provisions:						
Exports	969	457	968	1,110	985	-11.2
Imports	943	153	59	61	456	650.9
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	2,072	4,972	10,458	19,629	15,426	-21.4
Imports	408	541	280	161	99	-38.9
GSP imports	-	2	-	([2])	-	-100.0
Transportation equipment:						
Exports	1,934	1,659	1,790	1,182	2,202	86.3
Imports	28	192	66	7	57	741.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	15,813	11,905	17,123	26,843	24,889	-7.3
Imports	5,716	4,260	1,551	773	7,513	871.9
GSP imports	15	16	14	74	13	-81.9

See notes at end of table.

Table B-2—Continued
Nigeria: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	141,634	68,772	117,192	177,146	114,406	-35.4
Imports	33,203	30,201	17,706	12,010	13,751	14.5
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	68,248	36,377	83,359	60,011	83,319	38.8
Imports	30,071	27,621	76,343	217,405	400,956	84.4
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	84,906	37,650	50,406	38,269	39,126	2.2
Imports	80	46	79	83	121	46.3
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	36,718	2,741	19,417	22,948	46,798	103.9
Imports	5,230,547	4,529,938	4,776,165	5,639,117	5,573,407	-1.2
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	324	200	214	446	555	24.7
Imports	19	1	18	([2])	-	-100.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	9,060	6,698	19,427	8,209	8,567	4.4
Imports	2,007	438	482	618	708	14.5
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	162,272	95,816	58,852	75,103	83,196	10.8
Imports	2	-	3	7	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	43,010	21,868	40,559	67,334	37,205	-44.7
Imports	384	175	2,335	1,393	1,368	-1.8
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	10,746	2,710	2,643	1,779	1,961	10.2
Imports	593	1,255	577	1,290	2,686	108.3
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	14,258	8,442	7,418	8,858	8,036	-9.3
Imports	11,560	4,477	2,787	3,224	5,116	58.7
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	21,191	16,279	15,794	8,687	10,162	17.0
Imports	787	1,041	1,820	1,591	2,087	31.2
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	282,838	203,033	174,468	327,506	377,614	15.3
Imports	217	172	165	53	-	-100.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	875,206	500,587	589,749	796,297	810,947	1.8
Imports	5,309,470	4,595,364	4,878,480	5,876,792	6,000,201	2.1
GSP imports	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Rwanda: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	5,316	30,367	32,188	33,443	26,595	-20.5
Imports	576	163	832	7,234	2,540	-64.9
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	475	140	537	222	353	58.7
Imports	5	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	293	1,914	1,771	1,406	1,735	23.3
Imports	-	67	2	40	76	88.0
GSP imports	-	-	-	-	8	-
Energy-related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	6	20	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	23	3	1,638	30	1,541	([1])
Imports	-	4	-	-	3	-
GSP imports	-	-	-	-	3	-
Machinery:						
Exports	11	822	241	163	326	100.0
Imports	-	-	-	-	8	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	37	-	129	3	11	251.0
Imports	3,502	1,413	598	1,377	1,254	-8.9
GSP imports	366	-	-	-	100	-
Miscellaneous manufactures:						
Exports	10	-	36	21	92	336.7
Imports	-	9	1	7	-	-100.0
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	279	1,221	1,630	704	2,916	314.4
Imports	11	7	447	91	13	-85.1
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	484	24	187	467	1,122	140.2
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	92	109	98	14	280	([1])
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	7,020	34,600	38,461	36,494	34,971	-4.2
Imports	4,094	1,663	1,880	8,748	3,895	-55.5
GSP imports	366	-	-	-	111	-

See notes at end of table.

Table B-2—Continued
São Tomé and Principe: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	108	220	519	-	69	-
Imports	13	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	75	8	47	7	25	248.7
Imports	-	3	-	117	-	-100.0
GSP imports	-	-	-	117	-	-100.0
Electronic products:						
Exports	1,023	2,713	563	82	230	179.6
Imports	74	2	2	-	36	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	9	-	-	8	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	116	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	20	342	-	-	-	-
Imports	3	24	30	-	-	-
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	292	3,135	92	-	-	-
Imports	-	-	-	75	9	-88.6
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	86	1,068	63	44	1,294	([1])
Imports	-	-	-	5	4	-2.2
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	-	372	3	5	-	-100.0
Imports	-	-	-	2	2	24.6
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	770	265	98	7	59	735.7
Imports	516	5	43	248	53	-78.7
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	-	-	-	-	58	-
Imports	69	-	64	([2])	115	([1])
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	138	4,893	439	76	11,083	([1])
Imports	-	5	5	3	2	-16.7
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	2,512	13,024	1,824	221	12,942	([1])
Imports	675	39	144	449	221	-50.8
GSP imports	-	-	-	117	-	-100.0

See notes at end of table.

Table B-2—Continued
Senegal: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					Percent
Agriculture products:						
Exports	41,442	16,645	14,215	13,172	12,320	-6.5
Imports	495	1,188	1,172	986	855	-13.4
GSP imports	296	1,066	971	785	793	1.0
Chemicals and related products:						
Exports	5,686	7,567	15,041	11,663	11,575	-0.8
Imports	6	503	1,485	250	2,159	763.3
GSP imports	-	-	-	-	534	-
Electronic products:						
Exports	2,477	2,682	3,903	4,269	2,604	-39.0
Imports	396	579	1,416	502	846	68.4
GSP imports	9	24	-	214	27	-87.4
Energy-related products:						
Exports	130	1,584	341	220	123	-43.8
Imports	2,703	2,676	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	93	-	5	3	14	426.4
Imports	2	([2])	1	1	-	-100.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	101	357	1,468	839	2,134	154.3
Imports	12	57	13	78	72	-7.2
GSP imports	6	8	9	14	33	143.6
Machinery:						
Exports	3,581	2,638	4,026	5,403	3,716	-31.2
Imports	68	70	71	60	219	264.4
GSP imports	-	29	-	-	7	-
Minerals and metals:						
Exports	434	55	355	197	495	151.4
Imports	-	27	2	8	122	([1])
GSP imports	-	-	2	-	2	-
Miscellaneous manufactures:						
Exports	241	125	335	249	195	-21.6
Imports	998	1,637	501	878	807	-8.0
GSP imports	397	250	167	337	392	16.5
Special provisions:						
Exports	5,389	2,096	1,822	2,236	2,058	-8.0
Imports	1,258	4,611	1,181	1,696	722	-57.4
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	3,741	2,690	3,515	4,675	2,850	-39.1
Imports	1,518	73	629	1,016	817	-19.6
GSP imports	-	-	4	3	-	-100.0
Transportation equipment:						
Exports	5,590	5,741	22,061	12,430	13,260	6.7
Imports	40	9	4	18	8	-54.8
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	68,904	42,181	67,088	55,356	51,343	-7.2
Imports	7,496	11,429	6,476	5,494	6,627	20.6
GSP imports	708	1,376	1,154	1,353	1,789	32.2

See notes at end of table.

Table B-2—Continued
Seychelles: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	91	151	246	811	718	-11.5
Imports	65	237	59	162	445	174.1
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	141	203	126	425	329	-22.6
Imports	3	126	-	-	42	-
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	5,557	3,659	3,509	2,665	1,222	-54.1
Imports	20	842	636	232	815	251.5
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	30	3	23	67	24	-64.5
Imports	-	15	-	238	351	47.6
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	116	210	1,426	806	1,897	135.4
Imports	61	32	3	17	7	-61.3
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	231	114	55	137	135	-1.8
Imports	5	2	155	70	3	-95.5
GSP imports	-	-	25	64	-	-100.0
Miscellaneous manufactures:						
Exports	211	248	1,116	195	179	-8.1
Imports	154	3	34	8	25	223.9
GSP imports	-	-	2	8	21	179.5
Special provisions:						
Exports	618	186	219	239	196	-18.0
Imports	4,129	2,109	1,521	2,064	493	-76.1
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	28	-	8	73	105	44.3
Imports	48	15	23	-	4	-
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	57,452	1,280	144	97,804	1,205	-98.8
Imports	-	-	-	35	153	338.5
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	64,475	6,054	6,871	103,221	6,010	-94.2
Imports	4,485	3,382	2,431	2,826	2,339	-17.3
GSP imports	-	-	27	71	21	-70.0

See notes at end of table.

Table B-2—Continued
Sierra Leone: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	6,653	10,037	10,327	15,627	9,425	-39.7
Imports	1,562	364	2,476	1,126	207	-81.6
GSP imports	40	57	38	38	-	-100.0
Chemicals and related products:						
Exports	1,068	944	557	1,271	1,022	-19.6
Imports	1,289	1,568	529	504	373	-25.9
GSP imports	687	1,563	415	501	363	-27.5
Electronic products:						
Exports	750	945	501	1,402	732	-47.8
Imports	10	2	39	106	257	143.8
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	310	673	5	31	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	136	282	109	161	63	-60.7
Imports	901	-	7	-	2	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	120	90	51	119	68	-43.0
Imports	92	50	2	59	170	186.3
GSP imports	-	4	2	-	17	-
Machinery:						
Exports	2,428	3,184	1,185	940	378	-59.8
Imports	43	4,022	446	328	34	-89.8
GSP imports	43	3,992	442	1	14	933.3
Minerals and metals:						
Exports	579	2,348	212	403	45	-88.8
Imports	42,875	44,817	23,954	20,075	16,979	-15.4
GSP imports	410	122	28	-	218	-
Miscellaneous manufactures:						
Exports	112	332	40	120	27	-77.8
Imports	366	300	458	93	132	42.5
GSP imports	181	232	379	83	31	-63.0
Special provisions:						
Exports	2,054	1,532	1,022	1,301	936	-28.1
Imports	22	25	93	12	20	75.6
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	3,861	2,803	3,367	5,252	2,725	-48.1
Imports	59	66	462	40	163	309.2
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	2,476	894	493	1,704	284	-83.4
Imports	105	254	13	31	30	-2.3
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	20,547	24,064	17,869	28,332	15,706	-44.6
Imports	47,325	51,469	28,478	22,372	18,367	-17.9
GSP imports	1,361	5,970	1,304	623	643	3.2

See notes at end of table.

Table B-2—Continued
Somalia: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	10,894	15,601	5,903	2,871	599	-79.1
Imports	61	66	38	82	73	-10.7
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	129	333	1,044	18	36	93.6
Imports	11	2	-	2	17	946.6
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	8,976	1,626	149	12	406	([1])
Imports	28	17	5	23	43	85.1
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	20	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	34	14	-	6	-	-100.0
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	10	16	-	-	-	-
Imports	-	-	-	-	59	-
GSP imports	-	-	-	-	28	-
Machinery:						
Exports	1,702	4,095	95	98	758	674.9
Imports	-	-	4	-	46	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	358	68	25	-	13	100.0
Imports	-	-	1	-	5	100.0
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	28	2,460	-	373	-	-100.0
Imports	-	([2])	40	15	69	355.8
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	4,877	731	130	69	32	-52.9
Imports	72	12	16	17	-	-100.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	175	31	349	779	905	16.1
Imports	3	-	1	([2])	-	-100.0
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	3,394	4,801	359	-	7	-
Imports	3	6	-	5	-	-100.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	30,561	29,762	8,055	4,220	2,756	-34.7
Imports	212	118	106	150	311	107.1
GSP imports	-	-	-	-	28	-

See notes at end of table.

Table B-2—Continued
South Africa: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	250,137	158,397	278,112	307,772	229,439	-25.5
Imports	97,029	119,161	138,809	153,358	149,808	-2.3
GSP imports	-	16,637	24,546	49,603	28,754	-42.0
Chemicals and related products:						
Exports	277,956	326,419	440,984	421,036	436,998	3.8
Imports	73,306	92,613	117,060	148,424	183,136	23.4
GSP imports	-	26,959	57,252	81,556	113,340	39.0
Electronic products:						
Exports	417,591	473,723	528,462	511,233	533,496	4.4
Imports	4,086	9,421	11,229	14,924	13,114	-12.1
GSP imports	-	2,497	5,410	5,307	8,104	52.7
Energy-related products:						
Exports	70,090	90,918	106,354	182,461	144,950	-20.6
Imports	32,336	23,733	31,999	40,121	43,860	9.3
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	3,265	6,449	4,432	4,877	8,704	78.5
Imports	1,195	2,443	717	263	241	-8.1
GSP imports	-	115	58	([2])	-	-100.0
Forest products:						
Exports	133,439	129,214	147,919	159,385	157,767	-1.0
Imports	48,600	53,899	63,085	70,204	52,782	-24.8
GSP imports	-	6,305	7,962	4,538	3,985	-12.2
Machinery:						
Exports	266,499	315,407	364,010	483,827	432,176	-10.7
Imports	33,125	37,028	49,096	74,741	65,083	-12.9
GSP imports	-	17,085	38,011	58,055	53,659	-7.6
Minerals and metals:						
Exports	65,864	83,245	100,483	145,681	124,267	-14.7
Imports	1,433,648	1,526,801	1,592,575	1,588,469	1,706,000	7.4
GSP imports	-	94,169	186,183	179,169	187,503	4.7
Miscellaneous manufactures:						
Exports	23,634	43,719	40,040	45,765	52,210	14.1
Imports	6,993	11,782	12,356	19,074	17,730	-7.0
GSP imports	-	4,878	6,937	13,360	12,737	-4.7
Special provisions:						
Exports	98,729	107,761	134,726	148,991	144,885	-2.8
Imports	56,871	49,658	62,854	60,198	82,047	36.3
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	41,143	41,971	42,284	46,745	44,420	-5.0
Imports	37,669	61,605	77,545	87,376	103,842	18.8
GSP imports	-	1,303	1,774	1,072	1,741	62.4
Transportation equipment:						
Exports	496,113	337,663	508,694	598,746	617,084	3.1
Imports	26,187	31,556	52,261	63,286	77,819	23.0
GSP imports	-	11,270	28,855	36,733	39,991	8.9
All sectors:						
Exports	2,144,460	2,114,884	2,696,500	3,056,519	2,926,396	-4.3
Imports	1,851,045	2,019,701	2,209,587	2,320,439	2,495,463	7.5
GSP imports	-	181,218	356,988	429,392	449,813	4.8

See notes at end of table.

Table B-2—Continued
Sudan: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	23,742	38,161	10,498	15,923	11,045	-30.6
Imports	11,468	34,336	21,884	18,274	10,830	-40.7
GSP imports	-	-	-	-	-	-
Chemicals and related products:						
Exports	840	477	841	566	837	47.8
Imports	31	9	14	70	57	-19.2
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	6,055	3,015	3,012	10,671	5,404	-49.4
Imports	6	-	6	-	19	-
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	252	355	132	198	335	69.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	-	-	-	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	138	20	103	156	320	104.9
Imports	13	-	-	13	-	-100.0
GSP imports	-	-	-	-	-	-
Machinery:						
Exports	10,554	6,856	12,306	6,469	8,332	28.8
Imports	2	-	-	102	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	237	415	1,338	1,628	2,520	54.8
Imports	5	-	-	-	2	-
GSP imports	-	-	-	-	-	-
Miscellaneous manufactures:						
Exports	16	4	17	1,304	1,038	-20.4
Imports	49	800	([2])	15	-	-100.0
GSP imports	-	-	-	-	-	-
Special provisions:						
Exports	829	890	558	363	369	1.8
Imports	90	128	533	161	1,161	621.6
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	266	55	114	728	922	26.7
Imports	91	1	60	2	40	([1])
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	9,627	4,109	13,896	12,298	6,033	-50.9
Imports	2	5	-	17	-	-100.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	52,556	54,357	42,815	50,304	37,155	-26.1
Imports	11,757	35,279	22,497	18,654	12,109	-35.1
GSP imports	-	-	-	-	-	-

See notes at end of table.

Table B-2—Continued
Swaziland: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	391	1,786	2,136	10	795	([1])
Imports	6,465	17,342	6,622	8,297	22,495	171.1
GSP imports	6,235	16,868	6,098	7,844	21,812	178.1
Chemicals and related products:						
Exports	263	268	171	1,282	1,181	-7.8
Imports	80	451	906	1,220	617	-49.5
GSP imports	17	354	852	665	571	-14.1
Electronic products:						
Exports	337	1,533	461	570	742	30.3
Imports	23	39	49	54	181	235.0
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	5	6	-	-	-	-
Imports	170	420	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	33	27	-	7	66	794.6
Imports	305	-	-	-	7	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	22	28	47	29	31	6.5
Imports	1,871	1,476	6,492	3,065	1,827	-40.4
GSP imports	64	255	92	52	106	104.7
Machinery:						
Exports	821	1,236	85	230	737	219.9
Imports	127	118	180	116	141	21.8
GSP imports	1	3	-	5	-	-100.0
Minerals and metals:						
Exports	110	70	-	38	12	-68.4
Imports	632	387	251	242	191	-20.9
GSP imports	512	131	150	123	177	44.3
Miscellaneous manufactures:						
Exports	18	29	41	5	-	-100.0
Imports	1,997	1,783	3,818	5,259	2,862	-45.6
GSP imports	1,921	1,782	3,733	5,129	2,624	-48.8
Special provisions:						
Exports	353	139	266	105	212	101.8
Imports	126	284	169	198	289	45.8
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	8	38	18	24	17	-31.4
Imports	9,725	15,506	11,733	11,464	15,123	31.9
GSP imports	-	-	-	-	-	-
Transportation equipment:						
Exports	23	157	9	13	390	([1])
Imports	24	-	16	-	242	-
GSP imports	-	-	16	-	-	-
All sectors:						
Exports	2,385	5,318	3,233	2,314	4,182	80.8
Imports	21,544	37,805	30,237	29,916	43,975	47.0
GSP imports	8,749	19,393	10,941	13,817	25,290	83.0

See notes at end of table.

Table B-2—Continued
Tanzania: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	4,213	16,723	12,990	4,814	13,229	174.8
Imports	6,131	4,535	9,360	5,924	9,302	57.0
GSP imports	129	80	106	209	1,027	391.3
Chemicals and related products:						
Exports	1,723	1,846	1,637	2,359	3,271	38.6
Imports	182	147	131	387	672	73.7
GSP imports	-	-	1	(2)	32	(1)
Electronic products:						
Exports	2,931	4,428	6,157	10,755	11,296	5.0
Imports	-	-	3	2	27	(1)
GSP imports	-	-	-	-	6	-
Energy-related products:						
Exports	987	167	540	304	115	-62.3
Imports	194	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	35	135	411	1,805	582	-67.8
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	880	1,062	992	1,135	804	-29.2
Imports	321	437	484	565	586	3.7
GSP imports	109	22	121	166	102	-38.5
Machinery:						
Exports	3,871	3,061	10,645	6,046	7,164	18.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	374	168	2,650	641	1,640	155.8
Imports	529	2,315	3,051	3,126	4,182	33.8
GSP imports	176	930	1,691	1,429	2,458	72.0
Miscellaneous manufactures:						
Exports	848	429	263	423	919	117.3
Imports	157	253	3,285	2,843	4,388	54.4
GSP imports	15	6	3	3	18	480.0
Special provisions:						
Exports	2,211	8,284	4,047	2,273	4,800	111.2
Imports	162	619	610	563	701	24.5
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	7,345	7,143	5,783	12,616	11,327	-10.2
Imports	3,752	6,622	5,495	5,038	7,077	40.5
GSP imports	74	-	-	(2)	1	120.0
Transportation equipment:						
Exports	7,339	5,319	20,032	6,632	8,322	25.5
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	32,757	48,766	66,146	49,803	63,468	27.4
Imports	11,427	14,928	22,420	18,447	26,935	46.0
GSP imports	503	1,038	1,922	1,809	3,644	101.5

See notes at end of table.

Table B-2—Continued
Togo: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	6,233	2,642	4,167	4,635	12,396	167.4
Imports	1,338	1,539	1,090	1,380	813	-41.1
GSP imports	78	56	103	184	39	-79.1
Chemicals and related products:						
Exports	315	914	2,116	845	759	-10.2
Imports	1	-	628	1,533	-	-100.0
GSP imports	1	-	-	-	-	-
Electronic products:						
Exports	723	357	366	3,415	1,105	-67.7
Imports	-	19	-	-	21	-
GSP imports	-	19	-	-	-	-
Energy-related products:						
Exports	8	-	16	9	-	-100.0
Imports	-	-	25,833	970	4,034	316.1
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	77	158	490	1,833	2,229	21.7
Imports	-	-	-	-	2	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	5	83	74	17	154	832.5
Imports	31	43	3	12	6	-48.1
GSP imports	30	43	3	3	4	45.3
Machinery:						
Exports	49	2,111	2,631	1,130	806	-28.7
Imports	72	-	-	-	-	-
GSP imports	72	-	-	-	-	-
Minerals and metals:						
Exports	8	4	23	14	28	98.1
Imports	6	3	2	-	3	-
GSP imports	5	3	2	-	3	-
Miscellaneous manufactures:						
Exports	47	7	90	107	152	41.4
Imports	256	227	583	66	140	114.1
GSP imports	31	4	106	3	3	-4.2
Special provisions:						
Exports	564	987	1,987	599	563	-6.1
Imports	15	10	477	131	341	161.2
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	2,011	2,687	4,381	3,491	4,070	16.6
Imports	1,672	2,247	709	145	128	-11.6
GSP imports	1	([2])	([2])	-	-	-
Transportation equipment:						
Exports	2,512	2,471	1,801	3,827	2,882	-24.7
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	12,551	12,422	18,142	19,923	25,142	26.2
Imports	3,391	4,088	29,325	4,235	5,488	29.6
GSP imports	216	126	215	191	49	-74.4

See notes at end of table.

Table B-2—Continued
Uganda: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
	1,000 dollars					*Percent*
Agriculture products:						
Exports	8,599	6,897	5,289	3,820	16,664	336.2
Imports	9,447	34,406	12,441	15,656	37,184	137.5
GSP imports	4	-	-	-	481	-
Chemicals and related products:						
Exports	1,725	1,323	2,120	2,793	2,475	-11.4
Imports	2	23	104	8	26	219.5
GSP imports	2	5	77	-	26	-
Electronic products:						
Exports	2,775	3,168	5,020	3,903	4,429	13.5
Imports	8	-	-	2	9	429.3
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	20	4	12	-	-	-
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	13	33	140	76	-	-100.0
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	153	843	765	344	156	-54.7
Imports	17	135	25	14	15	12.6
GSP imports	17	129	22	8	11	41.7
Machinery:						
Exports	1,108	2,529	2,119	1,990	4,933	147.9
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	792	75	82	102	635	524.8
Imports	423	154	522	48	-	-100.0
GSP imports	195	134	522	-	-	-
Miscellaneous manufactures:						
Exports	18	173	323	299	346	15.9
Imports	-	6	6	24	14	-42.8
GSP imports	-	6	-	5	11	107.3
Special provisions:						
Exports	1,627	1,701	1,506	688	2,277	231.1
Imports	4	132	47	139	454	226.2
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	3,605	3,167	2,887	1,560	2,178	39.6
Imports	-	1	13	19	-	-100.0
GSP imports	-	1	13	-	-	-
Transportation equipment:						
Exports	260	7,554	1,599	896	1,029	14.8
Imports	2	3	-	-	10	-
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	20,695	27,467	21,862	16,471	35,122	113.2
Imports	9,902	34,858	13,158	15,909	37,713	137.0
GSP imports	218	275	633	13	529	([1])

See notes at end of table.

Table B-2—Continued
Zambia: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agriculture products:						
Exports	10,678	1,929	2,664	203	260	28.0
Imports	680	572	401	578	378	-34.6
GSP imports	7	72	44	80	118	48.8
Chemicals and related products:						
Exports	1,139	816	3,959	2,129	2,981	40.0
Imports	2	7	27	642	471	-26.5
GSP imports	-	-	-	-	-	-
Electronic products:						
Exports	4,203	3,976	8,212	6,323	6,401	1.2
Imports	9	-	4	11	-	-100.0
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	2,759	78	21	28	876	([1])
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	35	308	273	100	194	93.6
Imports	-	-	-	-	-	-
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	975	9,341	15,450	6,539	819	-87.5
Imports	33	25	35	48	56	16.1
GSP imports	31	25	15	22	24	12.8
Machinery:						
Exports	3,983	3,884	4,178	4,281	4,361	1.9
Imports	-	-	-	10	-	-100.0
GSP imports	-	-	-	-	-	-
Minerals and metals:						
Exports	726	162	720	1,146	823	-28.2
Imports	39,482	61,465	32,285	61,250	54,682	-10.7
GSP imports	111	70	190	127	108	-14.9
Miscellaneous manufactures:						
Exports	97	157	108	118	491	315.5
Imports	52	3	35	120	86	-27.9
GSP imports	10	1	-	15	-	-100.0
Special provisions:						
Exports	5,166	2,450	2,868	5,387	3,231	-40.0
Imports	105	126	105	705	113	-84.0
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	5,966	5,684	4,295	3,384	2,740	-19.0
Imports	405	1,279	-	456	117	-74.3
GSP imports	-	([2])	-	-	-	-
Transportation equipment:						
Exports	6,042	3,478	6,030	15,655	5,468	-65.1
Imports	16	-	-	5	-	-100.0
GSP imports	-	-	-	-	-	-
All sectors:						
Exports	41,769	32,263	48,777	45,294	28,645	-36.8
Imports	40,784	63,477	32,893	63,824	55,904	-12.4
GSP imports	160	168	249	243	251	3.2

See notes at end of table.

Table B-2—Continued
Zimbabwe: U.S. exports, imports, and GSP imports by major commodity sectors, 1993-97

Sector	1993	1994	1995	1996	1997	Change 1996-97
			1,000 dollars			*Percent*
Agricultural products:						
Exports	25,265	3,288	9,163	555	752	35.3
Imports	79,022	49,594	12,136	39,344	36,013	-8.5
GSP imports	511	18,289	8,012	16,748	9,464	-43.5
Chemicals and related products:						
Exports	7,394	6,078	10,719	13,195	12,689	-3.8
Imports	35	161	117	62	157	153.0
GSP imports	12	91	46	14	75	450.2
Electronic products:						
Exports	7,712	15,494	10,907	11,467	17,081	49.0
Imports	27	14	42	95	23	-75.3
GSP imports	-	-	-	-	-	-
Energy-related products:						
Exports	55	62	178	156	306	96.6
Imports	-	2,058	2,109	-	-	-
GSP imports	-	-	-	-	-	-
Footwear:						
Exports	103	105	16	-	8	-
Imports	-	178	([2])	1	34	([1])
GSP imports	-	-	-	-	-	-
Forest products:						
Exports	3,350	847	2,761	1,116	1,801	61.4
Imports	537	1,817	2,316	5,426	8,102	49.3
GSP imports	140	184	150	3,171	5,515	73.9
Machinery:						
Exports	16,909	20,878	28,851	19,354	18,314	-5.4
Imports	536	715	692	284	7	-97.6
GSP imports	39	138	140	3	4	45.8
Minerals and metals:						
Exports	541	1,435	860	1,070	1,728	61.4
Imports	38,100	28,943	50,254	62,344	51,888	-16.8
GSP imports	24,766	12,419	30,709	45,820	39,204	-14.4
Miscellaneous manufactures:						
Exports	484	632	810	551	773	40.3
Imports	10,384	9,798	13,244	8,108	26,964	232.6
GSP imports	9,794	9,061	12,543	6,764	25,496	276.9
Special provisions:						
Exports	3,766	2,228	2,902	2,428	3,622	49.2
Imports	635	876	901	2,408	1,209	-49.8
GSP imports	-	-	-	-	-	-
Textiles and apparel:						
Exports	577	1,360	1,194	2,769	3,158	14.0
Imports	12,961	11,302	14,214	5,518	9,843	78.4
GSP imports	2	13	1	15	13	-14.3
Transportation equipment:						
Exports	16,906	39,822	51,815	36,343	18,643	-48.7
Imports	66	574	664	399	206	-48.3
GSP imports	-	-	23	-	-	-
All sectors:						
Exports	83,063	92,229	120,175	89,005	78,876	-11.4
Imports	142,301	106,028	96,689	123,988	134,447	8.4
GSP imports	35,264	40,195	51,624	72,535	79,770	10.0

[1] Greater than 1,000 percent.
[2] Less than $500.
[3] Trade data for Eritrea were not reported separately until July 1, 1993, as the U.S. recognized their independence from Ethiopia.
[4] With the independence of Eritrea, trade for this former province was reported separately from Ethiopia beginning July 1, 1993.

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

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

APPENDIX C
Case Study: Namibia

Namibia

After 75 years of South African administration, Namibia (the former Southwest Africa) gained independence on March 21, 1990.[1] Since then, the country has enjoyed political stability under a multi-racial, multi-party parliamentary system, with an independent judiciary and press. Dr. Sam Nujoma, president since independence, was popularly elected to a second term in 1994.[2] Namibia inherited a double legacy from its apartheid era of a modern physical and commercial infrastructure, but stark socio-economic disparities. To address the disparities without unduly disrupting the country's economic base, President Nujoma's administration champions national reconciliation, multi-party democracy, and private sector-led growth.[3] Thus, Namibia is among the most ambitious of Sub-Saharan African countries in seeking foreign investment to diversify its relatively small but open economy. Due to persistent high interest rates, droughts, and low prices for major exports, economic growth had slowed to just 1.4 percent in 1997, down from 2.5 percent the previous year, compared to a peak of 5.1 percent in 1994.[4]

Namibia in Brief

Population	1.6 million, including 6 percent of European descent and 7 percent of mixed descent.
	Growth rate:3.0 percent
Economy	GDP: $3.2 billion, Major export-oriented product sectors are mining (diamonds and uranium), livestock, and fisheries.
	GDP growth: 2.6 percent
Geography	Southwestern Africa: borders the South Atlantic Ocean, between Angola, Botswana, and South Africa;and between Zambia and Zimbabwe along the Caprivi Strip in the northeast.
	Land area: 824,269 sq km.

All statistics are for 1996, unless specified otherwise.

Sources: A. MacGregor Hutcheson, "Namibia Physical and Social Geography," *Africa South of the Sahara*, 1998, (Europa Publications), p. 739; Republic of Namibia, "Namibia at a Glance," found at http://www.republicofnamibia.com/express.htm, retrieved July 8, 1998; and Standard Bank of Namibia, *Namibia in Figures*, 1998.

Economic Overview

The Namibian economy is highly dualistic, with approximately 41 percent of all households primarily dependent on subsistence agriculture.[5] With formal economic activity concentrated in the export-oriented diamond and uranium mining, livestock, and fisheries sectors, Namibia's GDP and foreign-exchange earnings have been highly vulnerable to global market (particularly in its major trading partners, South Africa and the EU) and climactic conditions.[6] Its economy also remains

[1] Declared a German protectorate in 1884, Namibia was subsequently occupied by South Africa following the outbreak of World War I, then administered by South Africa initially under a League of Nations mandate, and unilaterally after 1966 when the UN voted to terminate the mandate. Independence was gained only after a long struggle and extensive negotiations between South Africa, Angola, Cuba, the United States, and the UN. Christopher Saunders, "Namibia, Recent History," *Africa South of the Sahara, 1998*, (Europa Publications), pp. 739-743.

[2] Currently, there is debate over amending the Constitution to allow the President to run for another term in 1999. See for example: Republic of Namibia, "SWAPO Ponders Namibia Constitution Change for Nujoma Third Term," found at http://www.republicofnamibia.com/news.htm, retrieved July 8, 1998.

[3] U.S. Department of State (State Dept.) cable, "1998 Investment Climate Statement, Namibia," message reference No. 000622, prepared by U.S. Embassy, Windhoek, Feb. 24, 1998.

[4] In 1997-98, Namibia experienced its first year of negative growth since independence, with the prospects for a slowdown in the near future, mirroring a slowdown of the South African economy. USITC staff interviews with private-sector banking and other private-sector officials, Windhoek, Namibia, July 14-15, 1998.

[5] 1993/94 Household Income and Expenditure Survey, cited in International Monetary Fund (IMF), African Department, *Namibia, Recent Economic Developments*, IMF Staff Country Report No. 97/119, Dec. 1997, p. 10.

[6] In 1996, diamonds and other minerals, fish and other seafood, and meat and other animal products accounted for 22 percent of GDP. In that same year, exports of these products accounted for 75 percent of total foreign-exchange earnings; if manufactured products of the latter two sectors are included, then the total rises to 97 percent. Furthermore, exports and imports together amounted to 96 percent of GDP in 1996. All figures are calculated from official statistics of the Namibian Central Statistics Office, reported by Standard Bank of Namibia.

closely linked to South Africa's through institutional relationships, membership in regional organizations, and extensive trade and investment flows.[7] However, there has been progress in economic diversification though the promotion of non-traditional exports (fruit, beverages, and light manufactures),[8] growth in tourism,[9] development of off-shore natural-gas resources and electric-power generating and transmission facilities,[10] and initial development of information-processing services.[11] Economic and trade policies are guided by:

- the 1995-2000 First National Development Plan (NDP1),
- membership in the Southern African Customs Union (SACU),[12]
- membership in the Common Monetary Area (CMA),[13] and
- fiscal policy.

At independence, the Government set national development goals through the NDP1 of reducing unemployment, income inequality, and poverty through sustained economic growth.[14] With an estimated 60 percent of the labor force either unemployed or underemployed, job creation is the major priority driving the Government's fiscal and investment policies.[15]

Although proceeds from the SACU Common Revenue Pool provide an estimated one-third of Namibia's total revenue,[16] its trade and investment policies are constrained by the structure of the customs union. Because SACU's Common External Tariff (CET) largely reflects the industrial structure of South Africa—the dominant member of the group—an anti-export bias is perceived against Namibian industries.[17] Furthermore, Namibia is constrained in negotiating preferential trade agreements (PTA) with non-SACU countries, as is the case with a potential PTA with Zambia, which is currently on hold during the SACU renegotiations.[18]

Membership in the CMA, with the Namibian dollar pegged to the South African rand, and the country's extensive linkages to the latter's financial sector, limits monetary policy outside the framework of the South African Reserve Bank. Rather, Namibia has been adversely affected by the downward pressure on the rand since mid-May 1998, and the Reserve Bank's decisions to raise interest rates due to liquidity problems.[19] High interest rates and a credit crunch have driven down consumer demand, and the economy may slip into a recession should these conditions persist.[20]

Fiscal policy, rather than monetary policy, has been Namibia's primary instrument for macroeconomic management.[21] Some private-sector officials expressed concern[22] as to the extent of the Government's involvement in the economy

[7] Some 80-90 percent of Namibia's external trade originates from, is destined for, or is shipped through South Africa. South Africa also holds approximately four-fifths of all investment in Namibia, including in the key sectors of mining, banking, and insurance. Republic of Namibia, "Economy, Exciting Grounds for Business and Investment," found at http://www.republicofnamibia.com/eco.htm, retrieved July 8, 1998.

[8] USTIC staff interview with private-sector official, Windhoek, Namibia, July 15, 1998.

[9] Namibia currently receives 45,000 tourists annually from Germany, and another 5,000 annually from the UK. USITC staff interview with private-sector official, July 15, 1998.

[10] For example, parastatal NamPower, with partners Shell Oil and Eskom (South Africa), are actively pursuing construction of a 750 MW gas-fired power plant to tap Shell's extensive Kudu natural-gas field in the Orange River Basin. Namibia's electric-power connection to the South African power grid will be upgraded with a two-way 400 kV transmission line, to permit both imports and exports of power. Namibian Economic Policy Research Unit (NEPRU), "The Energy Sector," *Namibia, Economic Review and Prospects 1997/1998*, Windhoek, Namibia, May 1998, p. 23.

[11] USITC staff interviews with private-sector officials, Windhoek, Namibia, July 14-15, 1998.

[12] SACU provides for duty-free movement of goods and the right of transit among members, and a common external tariff largely determined by South Africa. In addition to Namibia, the other members are Botswana, Lesotho, and Swaziland. SACU is currently up for renegotiation.

[13] The CMA provides for free-flow of capital among members, South Africa, Namibia, Lesotho, and Swaziland, and calls for their currencies to be fully convertible. Botswana is not a member of the CMA.

[14] IMF, *Namibia, Recent Economic Developments*, pp. 5-6.

[15] From recent estimates of the Ministry of Labour, between 21 and 30 percent of the labor force is unemployed, and of those working, half are underemployed. Cited in the Chairman's statement, Standard Bank of Namibia, *1997 Annual Report*, Windhoek, Namibia, p. 4.

[16] World Trade Organization (WTO), "Trade Policy Review Body (TPRB), Review of Members of the Southern African Customs Union (SACU)," *WTO Trade Reviews*, Trade Policy Review Board Press Release, PRESS/TPRB/74, Apr. 27, 1998, found at http://www.wto.org/wto/reviews/tprb74.htm, retrieved July 29, 1998.

[17] Ibid.

[18] USITC staff interviews with government officials, Windhoek, Namibia, July 15, 1998.

[19] The South African prime rate was raised to 23-241/4 percent during July 1998, and Namibia's prime rate is about 3/4 percent higher. USITC staff interviews with private-sector banking officials, Windhoek, Namibia, July 14, 1998.

[20] USITC staff interviews with private-sector officials, Windhoek, Namibia, July 14, 1998.

[21] WTO, "TPRB Review of Members of SACU."

[22] USITC staff interview with private-sector officials, Windhoek, Namibia, July 14, 1998.

(26.1 percent of GDP in 1996[23]), its hesitancy to cut public-sector employment and social spending,[24] and increased Treasury debt issues to cover budget deficits.[25] Sales and income taxes were recently increased, actions generally regarded as necessary to avoid widening further the gap between revenues and expenditures.[26] A value-added tax, scheduled to be introduced in 1999, is intended to replace sales taxes and help diversify the revenue base.[27] Although the national debt is equivalent to about 24 percent of the GDP,[28] the external-debt service burden is small, accounting for 6.5 percent of total budgeted expenditures for 1997-98.[29] However, Namibia has never been highly dependent on foreign aid,[30] with 1996 aid receipts totaling $188.6 million, or about 5.7 percent of GDP.[31]

Bilateral Relations with the United States

U.S. bilateral trade with Namibia has historically been small, reflecting Namibia's long-established ties with South Africa and Western Europe. In 1997, U.S. exports of $25.1 million to, and imports of $62.3 million from Namibia, accounted for only about 0.4 percent of both total U.S. exports to, and imports from Sub-Saharan Africa. The United States has had trade balance deficits with Namibia since 1991, except during 1995 due in part to lower imports of uranium. The trade deficit increased during 1996-97, from $5.1 million to $37.3 million, largely as increased imports of fish and uranium out-paced increased exports of transportation equipment and parts.[32] Both countries have sought increased bilateral trading opportunities. For example, the eastern part of the United States has been identified as a potential market for Namibia's beef industry exports.[33] Namibia enjoys preferential access to the U.S. market through the GSP program, but is not designated as a LDBDC for additional duty-free benefits under the program.[34]

Direct U.S. corporate presence in Namibia is minimal, although the vast majority of U.S. firms seeking to do business in the country already have ties to the region through neighboring South Africa.[35] The dominant position of South African- and German-linked firms in marketing and distribution networks, and SACU's high CET, also pose distinct disadvantages to U.S. firms. Furthermore, while U.S. products enjoy a reputation for quality and durability, U.S. firms are often perceived by Namibians as distant, not committed to the local market, and less likely to provide adequate back-up and technical support.[36] However, in an effort to diversify its sources of supply, the Namibian Government, in late 1996, contracted with Detroit-based Barden International for over 800 General Motors vehicles. Barden is also investing $19 million to establish a vehicle retrofitting plant in Windhoek.[37] Namibia is eligible for OPIC investment insurance, Export-Import Bank financing for sales of U.S. products, and U.S. Department of Agriculture GSM-102 export credit guarantees for eligible agricultural commodities.[38] Currently, the United States does not have a bilateral investment agreement with Namibia.[39]

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[23] Official statistics of the Namibian Central Statistics Office, reported by NEPRU, "Appendix, Economic Indicators, GDP Composition," *Namibia, Economic Review and Prospects 1997/1998*, p. 48.

[24] The 1998-99 national budget provides wages and salaries for 69,478 funded positions, amounting to 46.0 percent of total budgeted expenditures. On a sectoral basis, 39.0 percent of total budgeted expenditures is for education, health, and social services. Official statistics of the Namibian Central Statistics Office, cited by NEPRU, "The Government Sector," *Namibia, Economic Review and Prospects 1997/1998*, pp. 37-38.

[25] However, the Government indicated in early July 1998 its commitment to reduce its 4-percent national budget deficit to 3 percent by the year 2000. Republic of Namibia, "Namibia Committed to Lower Deficit," found at http://www.republicofnamibia.com/news.htm, retrieved July 8, 1998.

[26] USITC staff interview with private-sector banking officials, Windhoek, Namibia, July 14, 1998.

[27] IMF, *Namibia, Recent Economic Developments*, p. 25; and WTO, "TPRB Review of Members of SACU."

[28] Republic of Namibia, "Economy, Exciting Grounds for Business and Investment."

[29] Official statistics of the Namibian Central Statistics Office, cited by NEPRU, "The Government Sector," *Namibia, Economic Review and Prospects 1997/1998*, p. 39.

[30] USITC staff interview with private-sector official, Windhoek, Namibia, July 15, 1998.

[31] The World Bank, *1998 World Development Indicators*, table 6.11, "Aid Dependency," p. 343.

[32] However, significant amounts of trade may fail to be accounted for due to trans-shipment of many U.S.-bound shipments through third countries. State Dept., cable, "1998 Investment Climate Statement, Namibia."

[33] In 1997, the U.S. Department of Agriculture invited Namibian veterinary officials for meetings, but funds were not available to send them. USITC staff interview with private sector official, Windhoek, Namibia, July 13, 1998.

[34] With an estimated per-capita GNP of $2,250 in 1996, Namibia ranks in the World Bank's "lower middle income" ($785-$3,155) category, rather than its "low income" (less than $785) category. The World Bank, *1998 World Development Indicators*, table 1.1, "Size of the Economy," p. 13.

[35] Unlike Western European competitors, U.S. firms were forced to abandon the Namibian market after passage of the 1986 Comprehensive Anti-Apartheid Act. State. Dept., cable, "Federation of SADC Region AmChams," message reference No. 001213, prepared by U.S. Embassy, Windhoek, May 8, 1998.

[36] State Dept., *Country Commercial Guide, Namibia, Fiscal Year 1998*, retrieved from U.S. Department of Commerce, Statistics USA, National Trade Data Bank and Economic Bulletin Board, July 6, 1998.

[37] State Dept., cable, "1998 Investment Climate Statement, Namibia."

[38] State Dept., *Country Commercial Guide, Namibia*.

[39] Ibid.

Business Climate

In its most recent economic review, the Namibian Economic Policy Research Unit noted that Namibia's key competitive advantages are its openness to foreign trade and investment, minimal state interference in private business, a sophisticated financial sector, a well developed physical infrastructure, and a sound legal system. Chief disadvantages are shortages of skilled labor, labor tensions, and the predominance of large commercial or parastatal firms in significant sectors of the economy.[40] With Namibia's banking system adhering to the International Bank of Settlements standards, there is generally a free flow of financial resources within Namibia and throughout the CMA, although capital flows with the rest of the world are subject to South African exchange controls.[41] Although a goal of the Government is to develop Namibia into a free-trade zone and fiscal haven for southern Africa, the monetary union with South Africa (as noted previously) impedes any plans to turn the country's banking system into a "Switzerland of Africa."[42] The Namibian Stock Exchange currently lists 35 companies and is the second-largest African stock market in terms of total market capitalization (roughly $33 billion).[43] However, the secondary debt market has not developed as effectively, especially to establish Treasury bill and bond trading.[44] In the past 2 to 3 years, large South African discount retail chains have entered Namibia, as South African corporations have expanded abroad extensively in southern Africa, but there is still exclusionary pressure from small local businesses.[45]

To meet the goals articulated in the NDP1, Namibia embarked on industrial development and export diversification through generous tax and fiscal incentives, and an export-processing zone (EPZ) enterprise program.[46] Although there was some success in developing downstream processing capabilities for export-oriented products (especially meat and fish), industrialization envisioned by politicians after independence was not realized due to lack of a critical mass of investment.[47] Nor have various tax and fiscal incentives, embodied in the 1990 Foreign Investment Act and other measures, been as effective in attracting as much foreign investment as initially anticipated.[48] However, the EPZ program, established in 1996,[49] currently hosts 20 operational ventures throughout the country, with 11 in the Walvis Bay dedicated zone, and several more ready for operation in the next few months.[50] Currently, the EPZ program focuses on light manufactures[51] and has not yet reached the services sector, although legislation is being advocated to promote offshore financial services.[52] Some of the concerns expressed by private- and public-sector officials about attracting more foreign investment include: (1) avoiding "sweatshop" conditions, (2) enforcing strict country-of-origin rules to avoid becoming a trans-shipment point, (3) attracting the level of technology appropriate to the level of domestic expertise in order to minimize downtime and dependence on foreign expertise, (4) distinguishing Namibia from the adverse publicity

[40] NEPRU, "Executive Summary," *Namibia, Economic Review and Prospects 1997/1998*, p. ii. Although established by the Government at independence, and funded by multilateral-, bilateral-, and private-agency grants, NEPRU is an autonomous research and advisory organization, the only such institution on the African Continent. USITC staff interview with NEPRU staff members, Windhoek, Namibia, July 14, 1998.

[41] USITC staff interviews with private-sector banking officials, Windhoek, Namibia, July 14, 1998.

[42] Republic of Namibia, "Economy, Exciting Grounds for Business and Investment."

[43] Much of this distinction is due to double listing of large South African firms on both the Namibian and Johannesburg Stock Exchanges, which arose in response to government efforts to reduce the outflow of Namibian capital towards greater investment opportunities in South Africa. Prescription Clauses were enacted, requiring that a proportion (35 percent by end of 1996) of pension-fund investments be in Namibian companies. USITC staff interviews with private-sector banking and non-banking officials, Windhoek, Namibia, July 13-15.

[44] USITC staff interview with private-sector banking officials, Windhoek, Namibia, July 14, 1998.

[45] Ibid.

[46] WTO, "TPRB Review of the Members of SACU."

[47] USITC staff interview with private-sector official, Windhoek, Namibia, July 15, 1998.

[48] USITC staff interviews with public- and private-sector officials, Windhoek, Namibia, July 14-15, 1998.

[49] The EPZ program offers foreign investors exemptions of unlimited duration from duties and taxes, with the only exception being personal income taxes. Lockouts and strikes are prohibited for the first 5 years, but management must still adhere to the Labor Act and negotiate with labor unions on salary. Under current regulations, 75 percent of EPZ enterprise output must be exported— 100 percent if the product will impact local industry. With permission of the government, up to 30 percent of an EPZ enterprise's output can be exported for sale locally in SACU countries; however, because EPZs are considered to be outside the customs union, shipments to SACU countries are assessed the full CET. EPZ enterprises can also sell up to 15 percent of their output domestically. USITC staff interviews with public- and private-sector officials, Windhoek, Namibia, July 14-15, 1998.

[50] USITC staff interviews with public- and private-sector officials, Windhoek, Namibia, July 15, 1998.

[51] Examples of EPZ products include bathroom fixtures, automobile seats, clothing, toys, consumer electronics, and mattresses, among other light manufactures. USITC staff interview with private-sector official, Windhoek, Namibia, July 15, 1998.

[52] USITC staff interviews with private-sector officials, Windhoek, Namibia, July 15, 1998.

(civil strife, political instability, and economic uncertainty) of its neighbors, and (5) assuring investors that the policy environment will remain stable.[53]

Land reform has been a major issue since independence, but so far, the 1996 program has only a slight impact on the commercial agricultural sector, because only relatively small annual amounts are budgeted for purchases and land sales are voluntary.[54] However, a coherent settlement strategy is still lacking for government-purchased land.[55] Despite calls earlier this year by labor leaders and others to scrap Constitutional provisions preventing the seizure of white-owned farmland without just compensation, the President promised to examine this top-priority issue, but within the framework of the Constitution.[56]

Privatization of public enterprises is not currently being pursued due to labor union opposition, and ideological concerns over increased concentration wealth.[57] Rather, the Government has taken steps to transfer certain non-core functions from government departments to government-owned commercial (profit-making) companies (parastatals), including postal and telecommunications services, tourist resorts, and water supply services,[58] electric power, harbors and ports, and soon, airports.[59] Some government officials indicated that "commercialization" would improve parastatal performance for their successful privatization in the future.[60] Furthermore, the President pledged to follow it with commercialization of road construction and maintenance services, and to reduce the public-service sector by 10,000 employees.[61]

Regionalization

Namibia has close relationships with other southern African countries through historical ties, infrastructure linkages, and membership in regional organizations. At times, relations with neighboring Botswana have been strained over border demarcation and competing claims for water, but both countries agreed to establish a demarcation commission to resolve future disputes.[62] The final portion of the Trans-Kalahari highway (TKH) through western Botswana to the Namibian border was completed as part of a bilateral regional-integration effort,[63] although inadequate support facilities, border-crossing procedures, and currency-convertibility problems currently tend to discourage increased truck traffic.[64] For the Trans-Caprivi highway to provide access to Zambian and Zimbabwean markets, a bridge over the Zambezi River and additional roads need to be completed.[65]

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[53] USITC staff interview with private- and public-sector officials, Windhoek, Namibia, July 14-15, 1998.

[54] Under this 5-year program, when commercial land is placed on the market, the Government has the first right of purchase at the prevailing market price. With the current equivalent of roughly $3.3 million budgeted annually, about 15 to 20 commercial farms have been purchased in each of the past two years. USITC staff interviews with private-sector officials, Windhoek, Namibia, July 13-14, 1998.

[55] USITC staff interviews with private-sector official, Windhoek, Namibia, July 14, 1998.

[56] Commercial farming comprises some 43 percent of Namibia's total land area, with the bulk of the country's best farmland owned by some 4,000 white-minority landowners. In the northern part of the country, where the majority of the country's population lives, only about 3 percent of the land area is owned by the white minority. However, pressure on the Government to address land access and redistribution for the black majority has been gaining momentum due to population pressures, overgrazing of communal lands, and persistent socio-economic inequalities. State Dept., cable, "Namibia, Highlights of President Nujoma's State of the Nation Address," message reference No. 001069, prepared by U.S. Embassy, Windhoek, Apr. 9, 1998; and USITC staff interviews with private-sector officials, Windhoek, Namibia, July 13-15, 1998.

[57] USITC staff interview with U.S. Embassy official, Windhoek, Namibia, July 16, 1998; and State Dept., cable, "1998 Investment Climate Statement, Namibia."

[58] WTO, "Simpler, Stable Tariffs Should Help SACU Members Realize Gains from Trade, Trade Policy Reviews of SACU Member States, Botswana, Lesotho, Namibia, South Africa, and Swaziland," *WTO Trade Reviews*, Trade Policy Review Body Press Release, PRESS/TPRB/72, Apr. 16, 1998, found at

[58]—*Continued*
http://www.wto.org/wto/reviews/tprb72.htm, retrieved July 29, 1998.

[59] USITC staff interview with private-sector officials, Windhoek, Namibia, July 14, 1998.

[60] WTO, "TPRB Review of Members of SACU."

[61] State Dept., cable, "Namibia, Highlights of President Nujoma's State of the Nation Address."

[62] Both countries previously agreed to submit their disputes over two small islands in the Chobe River to the International Court of Justice. State Dept., cable, "Namibia, Highlights of President Nujoma's State of the Nation Address;" State Dept., U.S. and Foreign Commercial Service cable, "Highway Opening," *International Market Insight* series, message reference No. IMI980310, prepared by U.S. Embassy, Windhoek and Gaborone, Mar. 10, 1998; and USITC staff interview with U.S. Embassy official, Windhoek, Namibia, July 16, 1998.

[63] The TKH connects the "economic heartlands" of Namibia, Botswana, and South Africa by a direct route, and brings Namibia's deep-water port of Walvis Bay within a day's drive of Johannesburg, South Africa. State Dept., U.S. and Foreign Commercial Service cable, "Highway Opening."

[64] Currently, roadside support facilities are lacking and the roads are not fenced in to prevent livestock from straying onto the road. At the Namibia-Botswana border there are still problems with immigration procedures, long delays, limited crossing hours, and high entry fees into Botswana. Furthermore, Namibian dollars or credit cards are not accepted in Botswana. USITC staff interviews with private-sector officials, Windhoek, Namibia, July 13-14, 1998.

[65] Ibid.

Government officials have emphasized Namibia's commitment to regional integration, and with private-sector officials, recognized the high regional market potential for its exports (especially meat, beverages, and light manufactures).[66] A bilateral PTA was recently concluded with Zimbabwe, with increased trade foreseen between the two countries. Namibia's membership in SADC is seen as an important means of increasing the country's profile in the region, for intraregional trade is about 20 percent of all members' trade.[67] However, concerns over ratification of the SADC trade protocol and expansion of regional trade organizations center on an erosion of trade preferences and increased competition in certain economic sectors.[68] The protocol itself is not a highly contentious issue, for government and private-sector officials assert that delays in ratification are more procedural than due to disagreement over terms.[69] These officials note, however, that it is important that set documentation and instruments (e.g., rules and regulations, especially for customs regulations) be in place before the protocol can be implemented.[70]

The SACU renegotiation process is of concern among Namibian officials and private-sector officials, and is currently at an impasse among South Africa and the other members. Namibia has called for review and increased transparency of the revenue-sharing formula. Other main issues to Namibia are democratization of the decision-making process in SACU, and creation of a permanent organizational structure that takes into account the interests of all members equally.[71] Likewise, Namibia does not have its own anti-dumping and countervailing duty protections, aside from the common SACU scheme, and the question of national versus regional approaches is currently part of the SACU renegotiation agenda.[72]

The Government is also in the process of reviewing its import and export licensing regime for full conformity with WTO rules,[73] and indicated its commitment to liberalizing its service sector. Namibian officials have indicated that they would participate in the next WTO round of negotiations on services.[74] As a member of a customs and monetary unions dominated by South Africa, Namibia, like the other smaller members, is concerned over potential impacts of South Africa's negotiations with the WTO and EU, without being a party to either the negotiations or the agreements.[75] Of particular concern over South Africa's WTO offers is that without official least-developed country status,[76] Namibia does not have access to safeguard measures. Likewise, with any South Africa-EU Free Trade Agreement, officials are concerned that Namibia would be adversely affected by decreased customs revenue and increased import competition. There is particular concern about the agricultural sector because South Africa is a major market for Namibian beef.

[66] USITC staff interviews with public- and private-sector officials, Windhoek, Namibia, July 13-15, 1998.

[67] USITC staff interviews with government officials, Windhoek, Namibia, July 15, 1998.

[68] USITC staff interviews with private-sector officials, Windhoek, Namibia, July 13, 1998.

[69] USITC staff interviews with public- and private-sector officials, Windhoek, Namibia, July 13-15, 1998.

[70] USITC staff interviews with government officials, Windhoek, Namibia, July 15, 1998.

[71] USITC staff interviews with public- and private-sector officials, Windhoek, Namibia, July 13-15, 1998.

[72] USITC staff interviews with government officials, Windhoek, Namibia, July 15, 1998.

[73] WTO, "TPRB Review of Members of the SACU."

[74] Ibid.

[75] USITC staff interviews with government and private-sector officials, Windhoek, Namibia, July 13-15, 1998.

[76] The UN considers Namibia as having "as if least-developed" status, but the country is not recognized as such by the World Bank. USITC staff interview with private-sector official, Windhoek, Namibia, July 15, 1998.