4457

SYMPOSIUM ON
RECURRENT COSTS IN THE SAHEL

OUAGADOUGOU, UPPER VOLTA
11-15 JANUARY 1982

Working Document

THE SAHEL COUNTRIES:

SOME MACROECONOMIC ISSUES

At the Fourth Conference of the Club du Sahel, held on November 1980, the CILSS and Club Secretariats presented a document entitled "Recurrent Costs of Development Programmes in the Countries of the Sahel".

This document led to a preliminary exchange of views among participants, who requested the CILSS and Club Secretariats to organize a symposium in 1981 to review the follow-up to be given to the report, particularly how to implement its recommendations.

With a view to facilitating discussion, preparatory documents will be distributed as we receive them. They will be of a standardized format and their contents are the sole responsibility of their authors. Participants are kindly requested to bring all documents to the symposium.

CLUB DU SAHEL/OECD
2 RUE ANDRE PASCAL/75775 PARIS CEDEX 16/FRANCE

CILSS
BP 7049/OUAGADOUGOU/UPPER VOLTA

SAHEL D(81)155

November 19, 1981

THE SAHEL COUNTRIES:

SOME MACROECONOMIC ISSUES

Oumar B. Makalou
Deputy Director
African Department
International Monetary Fund
Washington, D.C. 20431

Lecture delivered at the Club du Sahel and CILSS Seminar on Recurrent Expenditures held in Ouagadougou, Upper Volta, in January 1982.

7891

1. Introduction

It gives me great pleasure to participate in this seminar on the Sahel countries, on behalf of the IMF. As you know, the IMF has had a long involvement in the exchange of views on these countries and, as a member of the Fund staff, I have followed their developments closely. I, therefore, welcome this opportunity to discuss the economic problems facing the Sahel countries.

This seminar comes at a critical juncture in the economic evolution of the Sahel countries, as they enter the decade of the eighties having faced difficult times during the 1970s. During the past decade, the Sahel countries had to cope with a number of exogenous factors that disrupted their growth efforts. One can recall the dramatic impact of the drought in the early 1970s. In addition, the slowdown in economic activity in the industrial countries had an impact on the demand for a number of primary commodities produced by the Sahel countries which, together with the inflationary pressures in the industrial countries, and the increase in oil prices, contributed to the unfavorable movements in the terms of trade of the Sahel countries. As the authorities attempted to cope with these developments while, at the same time, continuing to promote economic growth, internal and external financial imbalances were aggravated. Accordingly, the decade of the 1970s saw the Sahel countries suffering from low rates of economic growth, high rates of inflation, and large external deficits. As we enter the decade of the 1980s, the Sahel countries face difficult problems of adjustment, the primary objective being to achieve sustainable rates of economic growth under conditions of financial stability. The question of recurrent costs, with which this meeting deals, is one facet of this general issue, as it is partly with the ability to build and maintain the productive capacity of these economies that the return on the investment effort can be maximized; without financial stability, the ability to meet the recurrent costs of fixed capital can be jeopardized.

Against this background, I shall divide my discussion into three main parts. First, I shall discuss some of the characteristics of the Sahel economies. Second, I shall trace the evolution of these economies during the period 1975-80, with reference to the main macroeconomic variables and the financial policies pursued. In the third and concluding section, I shall indicate the main macroeconomic issues that the Sahel countries will have to tackle during this decade. In this talk I shall not discuss the involvement of the Fund in the Sahel countries, as the general issue of adjustment under Fund programs will be dealt with by my colleague, Mr. Saleh Nsouli, in a subsequent discussion. I shall also not delve into the issue of recurrent costs specifically, as my colleague, Mr. Peter Heller, will discuss the topic in another session.

2. The Sahel economies

The Sahel economies, while diverse in several respects, share a number of common characteristics. Let me, first, outline some of the differences. First, the size of the Sahel economies is very different in terms of population. With 311,000 people, Cape Verde has the smallest population. This is followed by The Gambia with a population of about 620,000 and

Mauritania with a population of about 1.5 million (Table 1). The population of each of the other countries, Chad, Mali, Niger, Senegal, and Upper Volta, is between about 4.5 and 7 million. Second, the area of the countries differ considerably, with Cape Verde at about 1,550 square kilometers, The Gambia at 10,300, Senegal at 196,200, and Upper Volta at 274,000 square kilometers. Chad, Mali, Mauritania, and Niger, however, have all nearly the same area, ranging each between 1.1 and 1.3 million square kilometers. Third, the distribution of the population and the differing size of the countries are such that there are significant discrepancies in the population density. Cape Verde has the highest density, with nearly 200 people per square kilometer, followed by The Gambia with 60, and Upper Volta and Senegal with 29 and 22, respectively. Mali has a density of 5.4, Niger of 4.5, and Chad of 3.5. Fourth, the Sahel countries, while being generally low-income countries, can be classified into two categories. Cape Verde, Chad, Mali, and Upper Volta have each a per capita income ranging between about SDR 145 and 170 or about CFAF 42,000 and 49,000 per annum. The Gambia, Mauritania, Niger, and Senegal have per capita incomes of about double that amount--ranging from about SDR 320 to SDR 360 or about CFAF 92,000 to CFAF 104,000. Measured by this indicator, then, the Sahel countries are composed of two groups, each at a considerably different stage of economic development.

Nonetheless, the Sahel countries share a number of common characteristics. First, they are predominantly agricultural economies. In most, about 70 to 80 per cent of the population is employed by the agricultural sector while nearly one-third of GDP value added is directly contributed by the agricultural sector. The manufacturing sector as well as the commerce and transportation sectors are heavily dependent on activity in the agricultural sector, with the result that the overall performance of most of these economies is very vulnerable to weather conditions. Second, reflecting, in part, the production structure, the exports of the Sahel countries are heavily concentrated on one or two items, in most cases agricultural products or livestock. One exception is Niger where in recent years uranium exports have risen markedly and currently constitute nearly 80 per cent of total export proceeds. Third, there is a very inelastic demand for imports, as there is very little substitutability between domestic production and imported goods. Fourth, the countries share the problem of financial constraints, both domestic and external. Generally, domestic savings are very low and there is a high resource gap as reflected in the current account deficits of the balance of payments of these countries. There is a tendency to rely on foreign grants and borrowing, and an accumulation of domestic and external arrears .

This listing is obviously not an exhaustive one, but it does give some idea of the differences and of the common characteristics of the Sahel countries.

3. Economic and financial developments (1975-80)

In my introductory remarks, I already outlined some of the main trends in economic and financial developments in the Sahel countries during the decade of the 70s. I would like now to examine in somewhat more detail some of the more important developments during the second half of the 70s decade. This was a generally turbulent period for the world economy, characterized by large imbalances between the oil producing and non-oil producing countries, a slowdown in economic activity in the industrial countries, high inflation rates, and risks arising from the fluctuations in exchange rates among the major currencies as a result of the move to generalized floating.

During 1975-80, most of the Sahel countries suffered from low rates of economic growth, with the result that in a number of countries real per capita income declined. Table 3 gives an idea of the growth pattern that took place. The performance was mixed, but generally disappointing. For the countries for which data is available, one witnesses a sharp decline in real GDP in Chad, The Gambia, and Senegal. Data for Cape Verde on real GDP is available, only for two years, 1978 and 1979, when a favorable growth rate was recorded, although for the period as a whole, the growth was probably modest. In the case of Mali, Mauritania, and Upper Volta real GDP growth fluctuated considerably, recording an average annual rate of 3 to 5 per cent. Niger witnessed a significant growth during this period; this was attributable, in part, to the rise in uranium output and the ensuing increase in financial resources that made possible a high level of capital formation. Other than the unfavorable international economic environment, the generally disappointing growth of the Sahel countries was also due to fluctuations in weather conditions, low levels of domestic savings, and the structural problems facing these economies.

As the countries attempted to stimulate economic activity, notwithstanding the adverse internal and external factors, the financial policies pursued led to a rapid expansion in aggregate demand. The efforts of the authorities to promote economic growth are reflected in the relatively high levels of capital formation as a proportion of GDP, which account in most cases for about 20 to 30 per cent of GDP and as high as about 70 per cent for Cape Verde. By contrast, domestic savings were considerably lower, accounting in a number of cases for only a small fraction of investment, while in at least three countries dissaving was taking place. As most of the investment effort was carried out by the Government sector, and as current expenditures rose rapidly, the pressures on the budget positions were considerable. Table 8 gives some indicators that show that during this period all the countries incurred deficits on government operations. While in some cases these deficits were relatively small, in some instances they reached one-third and two-thirds of GDP. (Parenthetically, I should note that the numbers may understate the deficits of government operations as a number of expenditures are not included in the budget for some of the countries.) As the Government sector deficits were financed, in part, through domestic bank borrowing, credit to the Government increased rapidly during this period. As credit to the nongovernment sector also expanded at a fast pace, overall domestic credit and domestic liquidity expansion grew sharply (Table 11).

The fast rise in aggregate demand, notwithstanding the adverse trends in the production sector, exerted pressure on domestic prices. Table 7 provides data on the rate of inflation recorded in these countries. It will be noted that the rate of inflation was high during this period, fluctuating for most countries between 10 and 30 per cent and averaging for the period for the countries between 10 and 20 per cent. Perhaps it should be noted that the recorded rate of inflation may not fully reflect in certain cases the inflationary pressures as most countries maintain extensive systems of price controls and subsidies.

The excess demand pressures were also reflected in external sector developments. During this period, exports as a proportion of GDP generally declined, while imports as a proportion of GDP generally increased (Tables 12 and 13). Oil imports as a percentage of total imports also increased (Table 14). The adverse movements in the terms of trade also contributed to these developments (Table 18). The current account deficits accordingly widened for most of these countries. In 1981, Cape Verde had a current account deficit that was nearly two thirds of GDP, while The Gambia, Mali, Mauritania, and Senegal had deficits that ranged between one quarter and one half of GDP. Chad and Niger had deficits of around 10 to 15 per cent of GDP and Upper Volta of around only 7 per cent. Again, in certain cases, because of exchange controls on international current transactions, these deficits did not fully reflect the excess demand pressures. Net capital inflows partly offset the current account deficits. However, insofar as they consisted in part of foreign borrowing, the external debt burden of these countries rose markedly (Table 16). It will be noted that the estimates show that by 1981, the external public debt outstanding exceeded GDP in one case, and ranged between one quarter and two thirds of GDP for most. The rising debt burden was reflected in the high debt service ratios obtained. These ranged between about 10 and 30 per cent in 1981. Further, the external reserves of these countries were reduced considerably as a proportion of imports.

This broad survey leaves numerous issues untouched. I would like to single out four important issues that may have had an impact on these developments. First, most countries continued to maintain widespread price controls and to provide subsidies on basic consumer goods. Inadequate producer prices tended to have an adverse impact on the financial incentives to producers, while low fixed prices (as well as subsidies) tended to encourage consumption. The subsidies also constituted a burden on the budget. Second, interest rates were kept at relatively low levels, discouraging savings, limiting financial intermediation, having an adverse impact on resource allocation, and in some cases favoring net capital outflows. Third, a number of countries maintained public enterprises in operation, even though some of these tended to make losses and not operate efficiently. Fourth, because of pressures on the external sector, and limited exchange rate adjustment, a number of Sahel countries had restrictions on current international transactions.

In sum, the decade of the 70s was a difficult one in which external developments and domestic financial policies combined to aggravate the economic problems facing the Sahel countries.

4. Macroeconomic issues for the 1980s

The Sahel countries, as they enter the decade of the 1980s, continue to face severe economic problems. Notwithstanding the scarcity of financial resources available to them, they will have to deal with the difficult task of achieving financial stabililty in order to promote a satisfactory and sustainable rate of economic growth. The large disequilibria that most of the Sahel countries are suffering from make the process an even more difficult one. In this section, I would like to concentrate on certain aspects of economic policy that the Sahel countries will be considering in their attempts to improve their economic conditions. I shall discuss the development planning process, pricing policies, the role of public enterprises, fiscal policy measures, the role of monetary policy, as well as the considerations regarding external sector policies.

Economic growth is heavily dependent on the level of domestic capital formation, provided that the investment undertaken is allocated efficiently. To this end, measures to strengthen the development planning process in the Sahel countries could help promote economic growth. A number of the Sahel countries already have made considerable progress in developing the administrative infrastructure that can prepare meaningful and comprehensive development plans. A number, however, are still attempting to do so. Such an administrative apparatus would allow the preparation of plans setting out the priorities and containing a consistent macroeconomic framework with clearcut macroeconomic targets as well as an analysis of the financial implications of the implementation of the plan. The projects selected would be judged against the background of the macroeconomic framework developed. It will, of course, be important, as a number of speakers will be indicating in this seminar, that full account be taken of the recurrent costs of projects, both in terms of the domestic and external resources that will be needed in order to maximize the productivity of investment undertaken. In a number of Sahel countries, the stress has always been on public investment, partly due to the fact that the level of private sector domestic savings has been relatively low and that large infrastructural projects need to be undertaken in the early stages of economic development. In setting up the development plan, it would be desirable to attempt to indicate the areas and specific projects which the private sector could undertake. A number of countries have set up development banks that work closely with the private sector in order to encourage private sector involvement in the investment process, and some of the Sahel countries could benefit from doing so. Careful attention would need to be given to ensuring that projects financed by external debt generate sufficient returns to repay the debt over time; otherwise, the external debt burden could become unmanageable.

In order to improve resource allocation and mobilize domestic savings, as well as encourage private sector investment, it is necessary to pay close attention to pricing policies. To this end a number of the Sahel countries that maintain extensive systems of price controls and subsidies might find it beneficial to review the desirability of maintaining such controls. The objective of price controls and of subsidies generally is to mitigate the impact of inflationary pressures on the domestic economy. However, such policies have a tendency to conceal the inflationary pressures only temporarily. As these pressures intensify, shortages of goods at the official prices emerge and parallel markets develop, with the result that the consumer who wishes to obtain these goods ends up paying considerably more than the officially controlled price. As such, the objective of price controls and subsidies is defeated. Further, the administrative costs of enforcing the controls are an additional burden on the country. In order to mitigate the impact of price increases on the economy, it would be preferable to deal with the roots of inflationary pressures, namely the imbalances that exist between demand and supply.

In a number of the Sahel countries, public sector enterprises play an important economic role. Again, the rationale for these enterprises is that, at the early stages of development, the private sector is not in a position to undertake a number of economic functions which the public enterprises can assume. However, over the years a number of public enterprises in several countries have incurred substantial losses which have been borne directly or indirectly by the central government budget. In a number of countries a welcome new trend is developing. The authorities are reviewing carefully the operations of public enterprises and have decided that these enterprises have to operate efficiently and profitably. Their operations have, therefore, in a number of cases, been streamlined. In other cases, where the public enterprises were considered to be not viable on efficiency grounds, they were liquidated. Clearly, public enterprises cannot be judged solely on efficiency grounds as in a number of cases these enterprises provide important social services. The important consideration that a country must take into account is whether these enterprises are providing social services that deserve to be supported through subsidies from the government budget.

In most of the Sahel countries, the government sector plays a dominant role in the economy, both through its current and capital operations. In many cases revenues do not fully cover expenditures with the result that there is a significant recourse to both domestic and foreign financing of the budgetary deficit. These deficits tend to exert significant inflationary pressures. Clearly, financial stability cannot be established unless the excessive expansionary impact of fiscal policy is brought under control. On the revenue side, the authorities will need to examine the possibility of revising the domestic tax structure in order to expand the domestic revenue base and increase the elasticity of the tax system. An improvement in tax collection procedures can also increase considerably the tax revenues available to the Government. On the expenditure side, there will be a need to reassess carefully expenditure priorities. In many cases the growth in current expenditures can be limited through the institution of careful administrative expenditure controls, the reduction in new government hiring, restrained salary adjustments, and a reduced expansion in real administrative expenditures. Capital expenditures will have to be assessed against the availability of resources and carried out within the context of the macroeconomic framework of the development plan.

In many of the Sahel countries, monetary policy is heavily dependent on fiscal developments. The expansion in domestic credit is generally a function of the level of credit utilized by the Central Government to finance the budgetary deficit. The flexibility of the monetary authorities in conducting monetary policy is generally limited to the credit provided to the nongovernment sector in order to offset in part the impact of the expansion in credit to the government sector. Thus, the government sector tends to crowd out the other economic sectors from access to credit. The result of this is that the other sectors are unable to obtain the credit needed to carry out their activities. A more restrained fiscal policy stance during the 1980s would allow the monetary authorities to follow a more flexible credit policy toward the nongovernment sector.

Within the context of monetary policy, the interest rate structure plays an important role in domestic resource allocation, the process of financial intermediation, the promotion of domestic savings and the level of investment. The tendency has been, in many Sahel countries, to follow a low interest rate policy. This has had an adverse impact on the economy as it tended to result in resource misallocation and financial disintermediation. In addition, in view of the high interest rates prevailing internationally, this may have resulted in some cases in a tendency for outward capital flows and a failure to attract private sector capital from abroad--although, admittedly, private capital flows would depend on other factors than just the interest rate. In the coming decade, the Sahel countries may want to review their interest rate policy in order to determine the most appropriate and flexible interest rate structure for their economies.

In terms of external sector policies, there are two main issues to be addressed. Namely, the exchange rate policy and the restrictions on current international transactions. Let me address first the question of restrictions on internatinal current transactions. These restrictions are necessary because of the imbalances that exist in the economy, as at the prevailing exchange rate a removal of these restrictions would lead to shortage of foreign exchange in the country and, therefore, to pressures on the exchange rate. Accordingly, restrictions are symptomatic of the need for adjustment. The exchange rate is one of the important factors that can aid in the adjustment process. An inappropriate exchange rate generates price distortions that have a negative effect on the consumption/investment mix as well as on the export/import mix and tend to reduce the profitability of export and import competing activities in the country. These factors have a detrimental impact on economic growth. The maintenance of an overvalued exchange rate needs, therefore, to be carefully reviewed.

If it is determined that action is needed, such action would have to be supported by the proper financial and economic policies to reinforce its contribution to the adjustment process.

Other than the question of the level of the exchange rate, there is the question of the exchange rate regime which will determine the movements in the exchange rate over time. In the current world circumstances, where the exchange rates of the major industrial countries are floating, a country can adopt a number of exchange rate regimes. It can either peg its currency to that of another country, it can attempt to stabilize its effective exchange rate, or it can allow its currency to float independently. In most of the Sahel countries, the size of the economies, as well as the stage of development of their financial markets preclude the possibility of allowing the currencies to float. However, pegging to the curency of another country would mean that the currency of a Sahel country would move in accordance with developments in the country of the currency to which it has pegged its currency. In countries trading primarily with one major country, pegging to the currency of that country may help stabilize the effective exchange rate. However, where this is not the case, the effective exchange rate can be stabilized by pegging the country's currency to a basket reflecting the importance of its international transactions with other countries. While, in some cases, setting up such an individual basket may turn out to be administratively cumbersome, recent staff studies at the Fund have shown that the import-weighted exchange rate for most developing countries can be stabilized by pegging to the SDR, which, in itself, is a basket of currencies reflecting the importance of a number of major currencies in the international economy. The advantage of pegging to the effective exchange rate is that the impact of exchange rate movements in the international markets on the domestic economy will be mitigated over time and that movements in the exchange rate of the country vis-à-vis any other country will reflect more accurately the underlying developments in the economy.

As is evident from the above, the task of adjustment which the Sahel countries face is not an easy one. It is one that is made all the more difficult by the generally grim international environment. Nonetheless, the long-term welfare of the Sahel countries depends on meeting sucessfully the challenge of adjustment during the current decade.

The Sahel Countries: Selected Economic Indicators, 1975-81 1/

1. Population (1980)

Cape Verde	310,800
Chad	4.5 million
The Gambia	620,000
Mali	6.9 million
Mauritania	1.5 million
Niger	5.4 million
Senegal	5.7 million
Upper Volta	6.1 million

2. Per capita income (in 1980)

	SDRs	CFAF
Cape Verde	149	42,911
Chad	170	48,958
The Gambia	316	91,005
Mali	145	41,759
Mauritania	351	101,084
Niger	357	102,812
Senegal	348	100,221
Upper Volta	170	48,958

1/ The data provided in these tables includes estimates and projections and is, therefore, subject to a large margin of error.

The Sahel Countries: Selected Economic Indicators, 1975-81 (continued)

3. Nominal GDP growth	1975	1976	1977	1978	1979	1980	1981
Cape Verde				20.0	18.5		
Chad	24.6	8.6	10.8	16.3	-4.0	0.8	18.4
The Gambia	15.5	21.9	27.8	1.5	12.3	-1.6	12.0
Mali	37.4	25.9	19.7	5.7	19.7	6.9	7.1
Mauritania	23.6	17.0	3.7	-0.4	11.6	14.8	12.0
Niger	...	34.8	21.6	22.2	23.1	16.8	9.9
Senegal	20.1	12.3	4.5	-1.9	17.5	-0.5	9.0
Upper Volta	11.1	14.6	21.8	10.1	16.1	16.3	15.2

4. Real GDP growth	1975	1976	1977	1978	1979	1980	1981
Cape Verde				5.9	10.9		
Chad	7.8	5.0	1.5	3.6	-20.0	-10.0	3.0
The Gambia	-4.3	0.9	-13.2	-1.1	0.9	-1.0	2.0
Mali	13.5	13.6	11.0	-1.4	10.9	-1.2	-0.7
Mauritania	10.1	6.7	-0.4	-7.5	4.3	1.3	4.0
Niger	...	...	3.5	8.1	12.0	5.3	3.7
Senegal	7.9	7.3	1.3	-7.7	12.4	-7.6	-5.2
Upper Volta	7.7	3.8	-2.6	2.3	1.4	2.7	2.0

The Sahel Countries: Selected Economic Indicators, 1975-81 (continued)

5. Gross fixed capital formation/Nominal GDP	1975	1976	1977	1978	1979	1980	1981
Cape Verde			62.9	56.2	75.8		
Chad	--	--	--	--	--	--	--
The Gambia	10.9	14.1	13.9	30.3	20.2	36.2	24.5
Mali	13.6	15.6	18.5	30.3	23.6	22.0	22.5
Mauritania	34.1	44.6	39.2	19.5	15.6	28.2	41.4
Niger	20.6	24.2	25.0	28.0	28.0	28.1	25.7
Senegal	13.9	15.1	16.2	17.1	17.3	17.0	16.8
Upper Volta	23.3	22.0	22.0	21.8	20.8	20.3	20.0

6. Gross domestic savings/Nominal GDP	1975	1976	1977	1978	1979	1980	1981
Cape Verde			37.3	46.0	31.2		
Chad	--	--	--	--	--	--	--
The Gambia	-1.6	8.0	0.1	-1.0	-6.4	-4.0	
Mali	-9.1	4.6	11.5	9.9	4.7	2.7	1.3
Mauritania	18.9	13.5	8.0	-4.3	-6.5	9.4	8.7
Niger	6.5	14.9	13.9	11.4	16.3	16.3	13.3
Senegal	12.5	10.6	9.9	2.6	2.4	-5.0	-6.8
Upper Volta	-3.9	-0.1	-7.9	-5.9	-8.5	-8.5	-9.3

The Sahel Countries: Selected Economic Indicators, 1975-81 (continued)

7. Inflation rate (consumer price index)	1975	1976	1977	1978	1979	1980	1981
Cape Verde	40.9	7.8	11.2	13.3	6.9	...	
Chad	15.3	3.4	9.3	12.2	20.0	12.0	15.0
The Gambia	25.9	17.1	12.3	8.8	6.1	6.8	9.0
Mali	9.0	8.1	21.9	30.3	-0.1	20.2	6.9 1/
Mauritania	11.8	14.5	10.3	7.1	11.4	10.0	10.0
Niger	...	23.5	23.3	10.0	7.3	10.3	17.0
Senegal	31.6	1.1	11.3	3.5	9.6	8.7	13.0
Upper Volta	18.8	-8.4	30.0	8.2	15.0	12.2	12.0

8. Consolidated government deficit/Nominal GDP	1975	1976	1977	1978	1979	1980	1981
Cape Verde			67.7	48.0	66.3	...	...
Chad	1.4	2.8	1.8	2.3	3.6	0.8	2.7
The Gambia	3.1	10.3	7.5	9.9	7.2	8.7	9.8
Mali 2/	12.6	10.3	9.4	9.4	15.5	15.6	15.7
Mauritania 2/	15.1	45.0	34.0	35.6	28.5	25.7	22.4
Niger	...	...	1.9	3.2	1.7	5.2	5.6
Senegal	0.9	4.0	-2.2	1.3	...	1.1	3.8
Upper Volta	3.1	0.5	5.9	5.0	9.0	4.8	5.9

1/ Basic foodstuff; composite weighted index (1/4 controlled market; 3/4 uncontrolled market).

2/ Including public investment directly financed by external resources.

The Sahel Countries: Selected Economic Indicators, 1975-81 (continued)

9. Growth in net domestic credit	1975	1976	1977	1978	1979	1980	1981
Cape Verde	39.3	-46.7	14.2	135.7	39.0		
Chad	36.6	-4.6	19.9	23.9	40.0		
The Gambia	18.2	60.0	86.0	56.6	51.9	39.2	22.4
Mali	31.2	16.8	4.3	18.5	12.1	6.2	11.2
Mauritania	144.9	28.2	49.1	4.7	5.7	18.2	22.2
Niger 1/	23.4	-4.7	--	149.5	35.7	42.7	27.5
Senegal	20.0	25.9	18.8	31.1	21.1	16.5	22.7
Upper Volta	172.3	52.7	49.3	35.5	9.2	2.0	15.0

9a. Growth in net credit to Government)	1975	1976	1977	1978	1979	1980	1981
Cape Verde	-15.3	-853.2	-25.6	103.1	1,773.7		
Chad	-1.8	32.1	14.4	--	45.0	...	...
The Gambia	37.8	-29.1	162.2	55.4	60.3	5.0	24.9
Mali	12.5	20.0	33.0	11.9	9.4	4.2	10.1
Mauritania	32.0	64.2	262.9	-24.5	67.2	89.7	98.3
Niger 1/	-60.7	-6.7	-33.3	27.4	-52.1	58.6	58.7
Senegal	90.0	637.0	19.0	-4.0	64.4	52.7	122.2
Upper Volta	47.0	-41.3	-11.2	57.5	30.3	-73.9	137.5

1/ 1975/76 data. IFS data.

The Sahel Countries: Selected Economic Indicators, 1975-81 (continued)

9b. Growth in credit to private sector	1975	1976	1977	1978	1979	1980	1981
Cape Verde	15.4	26.4	-1.5	65.1	29.8		
Chad	51.4	-13.8	21.9	32.2	40.0	...	...
The Gambia	-35.4	223.6	24.6	65.4	33.7	25.5	32.2
Mali	46.6	20.0	-12.8	24.4	14.4	7.7	13.1
Mauritania	88.1	17.4	18.1	9.8	2.1	11.4	10.0
Niger 1/	26.5	...	14.7	65.7	39.3	18.4	20.2
Senegal	19.3	15.0	18.8	35.1	17.6	13.7	12.2
Upper Volta	40.3	49.3	43.1	24.8	...	14.0	4.5

10. Changes in net foreign assets (in SDRs)	1975	1976	1977	1978	1979	1980	1981
Cape Verde	3.9	14.7	10.1	-2.0	4.5	...	...
Chad	-18.7	18.6	-4.1	-28.7	-26.6	-20.4	-19.4
The Gambia	13.5	-4.6	-1.5	-14.8	-16.3	-11.5	-11.4
Mali	-46.1	-16.7	9.9	-10.5	-8.3	-7.4	-13.1
Mauritania	-25.0	9.0	-45.0	-7.0	14.0	-7.0	-18.0
Niger 1/	14.5	56.2	...	1.7	-0.5	-0.4	-4.8
Senegal	-16.6	2.2	-8.2	-71.8	-89.9	-73.1	-157.0
Upper Volta	-5.3	-9.2	-8.0	-28.0	13.8	5.1	-1.5

1/ 1975/76 data. IFS Data.

The Sahel Countries: Selected Economic Indicators, 1975-81 (continued)

11. Growth in money and quasi-money	1975	1976	1977	1978	1979	1980	1981
Cape Verde	30.5	29.8	40.1	16.5	17.8	17.4	
Chad	10.6	25.1	13.8	24.0	20.0	...	...
The Gambia	42.8	32.1	22.6	17.2	-2.0	-0.2	19.2
Mali	18.4	15.4	23.0	25.3	14.9	5.6	10.9
Mauritania	28.2	19.5	5.1	2.0	13.8	20.5	21.8
Niger	9.7	31.1	28.8	44.1	19.4	20.4	19.2
Senegal	11.4	32.0	15.2	21.3	6.3	10.3	9.7
Upper Volta	38.1	30.0	12.7	19.3	8.9	14.9	10.0

12. Exports/Nominal GDP	1975	1976	1977	1978	1979	1980	1981
Cape Verde			2.8	5.6	6.9		
Chad	8.3	14.8	14.1	8.2	7.3	5.3	5.4
The Gambia	26.9	18.0	37.3	32.2	31.9	33.4	25.0
Mali	11.3	13.2	15.0	11.6	12.1	15.7	13.5
Mauritania	35.0	34.0	31.1	23.6	24.6	29.8	26.9
Niger 1/	19.0	17.0	15.5	19.6	23.7	22.7	20.3
Senegal	24.4	27.3	34.8	22.6	23.9	21.5	20.6
Upper Volta	12.9	13.6	12.1	11.4	10.4	10.3	10.6

1/ Exports and GDP for 1975/76 not from same series as for 1977-1981.

The Sahel Countries: Selected Economic Indicators, 1975-81 (continued)

13. Imports/Nominal GDP	1975	1976	1977	1978	1979	1980	1981
Cape Verde			97.0	107.8	118.5		
Chad	17.2	17.0	18.8	17.8	10.1	8.8	10.1
The Gambia	51.1	55.4	47.7	57.7	54.9	73.1	63.7
Mali	27.8	21.6	14.2	21.8	21.7	25.0	27.1
Mauritania	50.7	59.3	63.0	55.9	54.8	51.2	62.7
Niger 1/	25.9	21.9	24.2	34.0	33.4	32.6	29.7
Senegal	30.6	35.1	40.2	38.5	40.5	40.5	42.6
Upper Volta	37.9	32.4	28.0	27.1	25.8	23.6	23.5

1/ Data for 1975-76 not from same series as for subsequent years.

14. Oil imports/Total imports	1975	1976	1977	1978	1979	1980	1981
Cape Verde	6.9	9.9	8.7	5.0			
Chad	13.2	...	9.2	...	...	...	...
The Gambia	8.8	6.4	6.7	9.3	9.4	9.0	10.5
Mali	11.4	14.2	17.9	15.3	15.9	18.5	19.0
Mauritania	10.2	4.5	2.9	7.2	12.4	12.4	12.0
Niger	9.9	12.0	10.3	7.4	8.6	9.6	11.6
Senegal	11.9	12.3	12.5	13.4	13.3	20.0	23.0
Upper Volta	6.2	5.9	6.9	6.6	9.5	13.9	16.7

The Sahel Countries: Selected Economic Indicators, 1975-81 (continued)

15. Current account deficit/ Nominal GDP	1975	1976	1977	1978	1979	1980	1981
Cape Verde			47.6	57.3	60.8		
Chad	16.1	11.1	16.0	20.0	11.4	8.6	9.9
The Gambia	10.4	17.5	5.2	26.7	23.8	38.7	40.4
Mali	8.3	6.3	...1/	17.4	17.0	17.2	22.3
Mauritania 2/	23.9	43.5	48.2	42.7	36.9	33.1	45.3
Niger 3/	1.1	2.2	13.9	19.2	13.9	14.0	14.2
Senegal	4.5	4.8	3.5	11.4	13.9	15.8	20.5
Upper Volta	7.3	6.4	10.6	6.4	7.3	6.1	7.0

1/ Surplus 1.5 per cent.
2/ Excluding official grants.

16. External public debt outstanding/Nominal GDP	1975	1976	1977	1978	1979	1980	1981
Cape Verde			36.6	33.6	30.0		
Chad	8.0	10.3	12.1	...	...	...	...
The Gambia	14.1	14.6	16.4	22.4	17.8	29.4	30.6
Mali 1/	82.9	79.1	74.5	77.0	63.4	72.2	80.1
Mauritania	46.4	76.6	92.7	113.4	102.0	105.8	127.2
Niger 2/	16.0	14.5	9.3	11.5	11.7	17.0	23.8
Senegal	7.2	20.0	23.4	30.8	35.0	49.0	64.0
Upper Volta	12.5	14.9	16.8	18.7	22.1	25.4	30.7

1/ Includes operations account.
2/ Data for 1975-76 not comparable to data for subsequent years.

The Sahel Countries: Selected Economic Indicators, 1975-81 (concluded)

17. Debt service/Exports	1975	1976	1977	1978	1979	1980	1981
Cape Verde						0.2	0.2
Chad	...	5.2	...	...	...	...	...
The Gambia	1.0	1.0	0.6	0.8	0.5	0.9	0.5
Mali 1/	32.8	12.1	16.0	12.1	11.2	9.8	14.7
Mauritania 2/	15.3	13.8	17.8	17.0	28.8	17.0	15.0
Niger 3/	16.9	15.4	4.7	3.5	2.8	7.1	9.7
Senegal	6.1	6.0	6.3	14.5	15.0	23.1	29.0
Upper Volta	7.3	5.9	5.0	5.5	5.4	7.6	9.9

1/ Different base years.
2/ As per cent of imports of goods and nonfactor services; includes operations account.
3/ Data for 1975-76 not comparable to data for subsequent years.

18. Annual change in the terms of trade	1975	1976	1977	1978	1979	1980	1981
Cape Verde	1.4	42.5	36.4	2.0	19.7		
Chad	--	--	--	--	--	--	--
The Gambia	-18.6	-27.4	15.7	-8.4	-4.5	-32.0	22.2
Mali 1/	-36.4	12.8	13.4	-12.3	0.2	-9.1	
Mauritania	18.4	7.3	-15.7	-6.9	-27.9	2.6	-10.6
Niger 2/	75.7	-2.4	14.7	16.3	-6.7	-14.1	...
Senegal	-20.2	-14.8	-1.0	6.1	-7.7	-7.5	7.9
Upper Volta	-12.8	23.9	-2.1	-3.0	-4.1	-4.1	-0.7

1/ Different base years.
2/ Data for 1975-76 not comparable to data for subsequent years.