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SUB-SAHARAN AFRICA:
ECONOMIC BACKGROUNDER

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TABLE OF CONTENTS

Page

Economic and Social Conditions in the Sub-Sahara....1

Introduction.....1

Economic Growth Performance.....4

Agricultural Production Patterns.....6

Foreign Trade, Aid, and Debt.....8

Prospects.....13

Economic and Social Conditions in South Africa.....15

Introduction.....15

Neither Fish Nor Fowl.....16

Blacks Under Apartheid.....16

Growth Performance.....18

African-US Economic Ties.....19

Introduction.....19

General Trade Links.....20

US and Other Western Imports from Africa.....21

Major Agricultural Suppliers.....25

US Exports to Africa.....26

US Investment in Africa.....26

US and Other Aid to Africa.....29

Statistical Appendix

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STATISTICAL APPENDIX

Tables

		Page
1.	Sub-Saharan Africa: Selected Economic Statistics	A-1
2.	Sub-Saharan Africa: Employment Trends in Selected Countries	A-5
3.	Sub-Saharan Africa: Urbanization Trends and Population Centers	A-6
4.	South Africa: Key Economic Statistics	A-19
5.	Sub-Saharan Africa: Trade with the United States	A-20
6.	Sub-Saharan Africa: Trade Balances with the United States	A-21
7.	Sub-Saharan Africa: Principal Sources of Western Mineral Supplies	A-22
8.	Major Developed Countries: Imports of Selected Crude Materials from Sub-Saharan Africa, 1977	A-23
9.	Major Developed Countries: Imports of Selected Intermediate Goods from Sub-Saharan Africa, 1977	A-24
10.	Major Developed Countries: Imports of Selected Agricultural Products from Sub-Saharan Africa, 1977	A-25
11.	Sub-Saharan Africa: Net Book Value of US Direct Investment by Economic Sector, 1976	A-27
12.	Sub-Saharan Africa: Economic Aid from Multilateral Institutions	A-28
13.	Sub-Saharan Africa: Net Disbursements of Official Trends	A-29
14.	Sub-Saharan Africa: Net Bilateral Economic Aid from the United States	A-30

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Figures

		Pages
1.	Sub-Saharan Africa: Economic Position in Perspective, 1976	A-2
2.	Sub-Saharan Africa: Strength in International Organizations	A-3
3.	Sub-Saharan Africa: Social Indicators	A-4
4.	Sub-Saharan Africa: Real GNP Growth Trends	A-5
5.	Sub-Saharan Africa: Agricultural Production Trends	A-7
6.	Sub-Saharan Africa: Net Grain Imports and Self-Sufficiency	A-8
7.	Sub-Saharan Africa: Share of World Export Market for Selected Cash Crops	A-9
8.	Sub-Saharan Africa: Major Export Commodities	A-10
9.	Sub-Saharan Africa: World Export Markets for Primary Products	A-11
10.	Sub-Saharan Africa: Export Volume Trends, 1971-76	A-12
11.	Sub-Saharan Africa: Import Volume Trends, 1971-76	A-13
12.	Sub-Saharan Africa: Terms of Trade, 1971-76	A-14
13.	Sub-Saharan Africa: Selected Trade Balances	A-15
14.	Sub-Saharan Africa: External Debt Position	A-16
15.	Sub-Saharan Africa: Major Foreign Aid Recipients and Donors, 1976	A-17
16.	Sub-Saharan Africa: European and American Populations in Selected Countries	A-18
17.	Sub-Saharan Africa: Net Book Value of US Direct Investment by Country, 1976	A-19

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Sub-Saharan Africa:
Economic Backgrounder

Economic and Social Conditions in the Sub-Sahara

Introduction

By almost any measure other than political clout in the UN General Assembly and the Group of 77, Africa[1/] plays a small role in the global or even the LDC context. It accounts for less than one-sixth of the total LDC population and for less than one-tenth of LDC GNP and trade. The total output of African goods and services only approximates that of Romania or a combination of Argentina and Chile. African exports (nonoil) about equal those of Australia.

Sub-Saharan countries are below the LDC average by all measurements of living standards. Africans do best in per capita calorie consumption, averaging 92 percent of daily requirements versus an LDC average of 97 percent. Africans live about 10 years less than citizens of other LDCs and have higher infant mortality rates and fewer physicians and hospital beds. Africa's low starting point is shown by school enrollment and literacy rates. Only 30 percent of school-age children take lessons

1/ The terms sub-Saharan Africa and Africa in this section of this paper -- "Economic and Social Conditions in the Sub-Sahara" --include all continental and island African countries except South Africa, Namibia, and the northern tier of Algeria, Egypt, Libya, Morocco, Tunisia, and Western Sahara. South Africa and Namibia are included in the third section, entitled "African-US Economic Ties."

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compared with one-half in all LDCs; moreover, only 18 percent of Africans have some basic literacy while the LDC average for literacy is 40 percent 2/

Despite these discouraging statistics, Africa has improved living standards in the past decade. Literacy rates have doubled from 9 percent in 1960, and life expectancy has gone from 37 years at birth to 43 years.

Economic similarities among sub-Saharan Africa's 47 states are striking. All are poor and backward. The bulk of the population work the land by primitive means, producing enough food to maintain little more than a bare subsistence living. Per capita GNP in most instances falls below $300 a year. Africa has proportionately the smallest and most rudimentary cash economy in the world and is the least able to develop rapidly through its own means. It lags far behind Asia, Latin America, and the Middle East in the availability of domestic expertise to manage and operate a modern economy.

Sub-Saharan Africa's economic importance to the rest of the world is mostly as a source of primary products, a position that has changed little since independence. Raw material exports in turn are Africa's principal source of cash incomes. Sub-Saharan countries

2/ See the appendix for statistical material illustrative of trends discussed in the text of this paper.

have little economic contact with one another, and their own markets are very limited. Accordingly, sales abroad are the main determinants of the size and rate of growth of their economies

By far the bulk of overseas exports are from mining or oil-producing enclaves. The copper facilities in Zambia and Zaire, for instance, account for most of those countries' exports. Additional exports are gathered in small lots from numerous farmers who sell some of their output to pay school taxes or buy inexpensive consumer goods. Many of the countries that have significant numbers of African farmers devoting most of their efforts to cash crops, such as Ivory Coast, Kenya, Malawi, and Swaziland, have made the most progress in broad-based development.

Sub-Saharan Africa shares a number of problems with other LDC regions, notably rapid population expansion and urban overcrowding. Infant mortality has fallen steeply in recent years, and population growth (3.0 percent a year) now is exceeded only by that in the Middle East and North Africa (3.4 percent). As a result, roughly 45 percent of the population is under the age of 15 and only 5 percent is more than 60 years' old. Twenty-five African countries, including Burundi, Chad, Gabon,

Mozambique, Nigeria, Upper Volta, and Zaire, have urbanization rates more than double their population growth rates. Despite this rapid expansion, African cities remain comparatively small; only two -- Lagos and Kinshasa -- have a population of more than 1 million.

Despite its low level of development, Africa is spared some serious problems that other less developed areas face. Sub-Saharan Africa's vast size -- more than twice that of the 50 American states -- saves it from the agonizing overpopulation problems that face Asian and Latin American countries. Population density equals about 15 persons per square kilometer, compared with more than 50 in Asia. Moreover, there are almost none of the economic and social problems created by a land-owning elite such as those in Latin America and parts of Asia, with the result that there is a greater potential for farmer initiative in Africa.

Economic Growth Performance

The numerous political disruptions in the nearly two decades since independence have helped to dash the hopes of most sub-Saharan governments for achieving rapid economic growth. The region's aggregate gross national product (GNP) since 1970 has risen only 4.0 percent a year on average, substantially below the 6.9-

percent annual average for LDCs as a whole. The performance would have been much worse -- only 2.8 percent a year -- except for the oil-fueled growth splurge by Nigeria, which now accounts for 30 percent of sub-Saharan GNP.

Growth in agriculture in particular has lagged. Beset by disease, drought, and in many cases governmental mismanagement and guerrilla warfare, agricultural output has risen only 1.4 percent a year since 1970 in Africa, compared with a 3.8-percent average annual growth rate in all LDCs. Starting from a lower base than in most of the Third World, real growth in African manufacturing output has been closer to the LDC average -- 6.7 percent annually versus 7.1 percent. As for nonoil minerals, output of African copper and zinc has grown less rapidly than production of these commodities in other LDCs; bauxite has performed relatively well due solely to increases in Guinean mining activity.

Since 1970, the African development effort has lost ground, with GNP growth decelerating in many sub-Saharan countries. The growth rates of Togo and Mauritania, which had been pushed up by large mining projects, have fared the worst, dropping from about 15 percent a year in the 1960s to only 2.2 percent annually since 1970.

Agricultural Production Patterns

Agriculture, the bulwark of the African economy, has experienced small production increases in most years since the early 1960s. Although per capita output has declined in the face of increased population and urbanization, food production generally is adequate to supply the rural areas. In recent years, shifting consumer preferences for wheat products -- mainly among urban dwellers -- has led to increased grain imports. At the same time cash crop production declined 15 percent between 1970 and 1976 as a result of governmental neglect, unfavorable weather conditions in some countries, and slack world producer prices for some commodities. Although a small share of total agricultural output, cash crops such as coffee, cocoa, and sisal are the focus of modern agricultural priorities in Africa and major sources of foreign exchange. With output of tropical cash products flagging and competition from Southeast Asian countries on the rise, Africa has lost ground in the world markets it once dominated.

Many agricultural extension services have been underfunded and undermanned and, in some cases, have ignored the small-scale units that make up the bulk of African farms. Plantation agriculture instead often has received the lion's share of benefits from government

investment in infrastructure and agriculture. Moreover, where the focus of agricultural development schemes and extension services have been on small farms, it has on occasion been ill-tailored. For example, most programs concentrate on education and skills for men whereas women do most of the planting, weeding, hoeing, and harvesting. As a result, information on high-yielding seeds and plants and on new techniques does not get into practice readily.

A few countries such as Ivory Coast, Kenya, and Malawi have made a concerted effort to invest in agriculture as a road to economic development. Kenya, for example, has developed a unique system that favors farmers who have demonstrated the ability and willingness for self-help. These so-called "master farmers" have preferential access to credit for fertilizer purchases, high-yielding seed varieties, and help from the agricultural extension service on farm planning and other matters. Nairobi's well-thought-out farm policy has allowed Kenya to become the only sub-Saharan country (outside of Rhodesia) capable of producing surplus grain.

Agricultural output has declined or stagnated in several countries in recent years. Angola and Mozambique

have seen their farm production decimated by war and the mass exodus of Portuguese farmers. Poor management, lack of investment in new trees and fertilizer, and low producer prices have cut Zaire's, and hence Africa's, share of the world palm oil market. Nigeria, self-sufficient in food production until the 1967-70 civil war, is now a food importer and has ceased exporting peanuts. Postwar Nigerian agricultural recovery was interrupted by recurrent problems of drought and by the 1973/74 boom set off by the fourfold increase in oil prices, which encouraged many farmers to abandon the land.

Foreign Trade Aid, and Debt

Management problems in agriculture, the slump in world demand for major African exports, and steep rises in import prices have undermined Africa's trade performance. The only dynamic element in the region's trade in recent years has been the sharp rise in oil exports, which at $11 billion in 1976 accounted for nearly one-half of the region's export earnings. Nonoil exports -- largely industrial diamonds, copper, iron ore, uranium, bauxite, coffee, cocoa, peanuts, and palm oil -- more often than not have stagnated or declined in volume terms since the start of the 1970s, causing Africa's share of world commodity exports to plummet. Although

a few processed minerals and agricultural products such as aluminum and rubber are sold abroad, sub-Saharan Africa has not yet reached the stage of manufacturing for export. The few goods that are fabricated are for local consumption, such as building materials, foods, and clothing. The major import needs of Africa's developing countries are manufactures, machinery, cars, and transportation equipment in general.

So far Africa does not appear to have benefited much from the potentially stimulating effects of preferential access to major foreign markets provided under several international agreements. Almost all African states are covered by the 1975 Lome Convention[1/] which gives duty-free treatment to all industrial products and most of Africa's agricultural exports to the EC. The only major commodity not covered is sugar, which is handled by separate trade protocols. Practically all African states now are eligible for the Generalized system of Preferences (GSP) granted by major industrial countries, including the United States and Japan.

1/ African countries make up 42 of the 53 LDC signatories of Lome Convention.

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The number of sub-Saharan countries benefiting from trade price movements since the start of the 1970s about matches the number hurt. The largest gainers have been Nigeria, Gabon, and Angola, whose terms of trade benefited enormously from the rise in oil export prices. At the other extreme, African mineral exporters saw their terms of trade deteriorate, sometimes severely, because of stagnating or declining export prices. Copper-producing countries -- Zambia and Zaire -- were hardest hit with prices for their chief export down 10 percent in 1975-76, compared with average prices in 1969-71, while their import prices more than doubled. Agricultural exporters have done fairly well on the price front with unit prices for coffee, cocoa, palm, and peanut products rising sharply in recent years.

The African experience with import prices in the 1971-76 period mirrored that of other developing country regions. Except for the differential impact of OPEC price hikes, on average, import price increases for individual African countries ranged from 90 percent to 125 percent over the six-year period, with the larger oil importers absorbing the steepest increase. In some cases, the resulting payments problems forced at least temporary reductions in the volume of imported goods.

The most severe import reductions, however, occurred in Mozambique and Angola, reflecting the economic dislocations associated with the shift to independence and exodus of large numbers of Portuguese.

Considerable variation exists among the trade balances of the sub-Saharan countries. Reflecting adverse terms-of-trade movements, copper-producing Zaire and Zambia have seen substantial worsening in their foreign trade accounts since 1970; for several years both countries have been in arrears on import payments, severely damaging their international credit ratings. Kenya and Tanzania continue in regular deficit, while the Sudan's ambitious development program has led to a deficit requiring bailout aid from the IMF. At the other extreme, Nigeria and Gabon have benefited from the oil bonanza, showing growing trade surpluses through 1976. In that year, Nigeria alone netted enough on its trade account -- $1.9 billion -- to more than offset the trade deficits of other sub-Saharan countries. Subsequently, of course, Nigeria's burgeoning import bill eroded the trade surplus.

Both aid and investment flows have increased in the 1970s. On the other hand, the role of foreign manpower

has tended to decrease since many European settlers left Africa at independence because of uncertainty about economic prospects under the new regimes. Yet, foreign funds and manpower remain key to prospects for economic development in the sub-Saharan countries. Foreign aid is essential to progress in social services, to management of foreign debt, and to major infrastructural projects such as irrigation and transport facilities. With institutions to tap scarce domestic resources just emerging, foreign funds finance more than one-fifth of total investment in sub-Saharan Africa. Experienced managers and technical experts from the developed countries are in demand to help organize and expand the small, modern sector of most countries.

The external debt of sub-Saharan countries taken together amounts to $15 billion, less than 10 percent of the non-OPEC LDC total. Four countries -- Zaire, Zambia, Gabon, and Sudan -- account for nearly one-half of the total. Moreover, the high proportion of concessional aid in the debt of most African states has kept the rate of increase in service payments since 1973 the lowest on average of any Third World region. As a result, debt service ratios for all but a few sub-Saharan countries are well below the 15-percent average for all

LDCs. The most notable exceptions are Zaire and Sudan, with debt service ratios exceeding 20 percent.

Although debt service schedules for most of the African states have remained low because of grants and concessional aid, repayments on private credits have become troublesome in several cases. Altogether, borrowing on international financial markets -- mostly by Zaire, Zambia, Kenya, and Ivory Coast -- has averaged $60 million annually in recent years. Even in the extreme cases, however, the proportion of private lending in the stock of external debt is quite small. At this point in time only three African states -- Zaire, Zambia, and Sudan -- are having trouble meeting foreign debt obligations.

Prospects

In a decade or so the African economy probably will look much as it does today. The chronic problems of political turmoil, inexperience in economic management, and scant resources in many countries will continue to be major obstacles to rapid development. Even in the economies where political factors have a good chance of remaining favorable, the sub-Sahara's small, fragmented markets and generally unskilled and poorly educated populations will continue to stand in the way of the

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kind of large-scale foreign investment in modern agriculture and industry that might stimulate wide peripheral development. Meanwhile, slowed economic growth in the developed countries will limit both demand for key African products and prospects for substantial expansion of aid flows. Given the slowness of industrial job growth and the continuing rapid population expansion, the proportion of subsistence farmers in Africa is not likely to fall much below 80 to 90 percent any time soon.

Even in the unlikely event of a turnaround in political and management deficiencies in the larger resource rich states, such as Nigeria and Zaire, poor prospects for production and for international markets for major commodities will dampen any new large growth spurts. Technical exploration and production limitations, for example, are expected to hold Nigeria's oil production at 2.3 million to 2.4 million b/d through the mid-1980s, only slightly above 1978 average of 1.9 million b/d, while exports will decline as increasing amounts are diverted to domestic consumption. Large international copper stocks and excess production capacity among major world producers will continue to hold copper prices down, dampening Zaire's foreign exchange potential.

In a few countries, temporary growth spurts on the order of

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Mauritania and Togo in the 1960s are likely as one-time mining projects are brought onstream -- uranium development in Niger, bauxite and iron ore in Guinea, and perhaps diamonds in Lesotho. The new income, however, will be slow to work its way through to the bulk of the population, and growth can be expected to plummet again as these developments are completed.

Economic and Social Conditions in South Africa

Introduction

In contrast to the rest of sub-Saharan Africa, South Africa has relatively well-developed manufacturing and commercial sectors that give it the appearance of a developed economy. Manufacturing, domestic trade, finance, and private services together account for almost half of GNP -- the highest share among African countries. South African whites -- about 4.5 million persons, or 17 percent of the population -- enjoy living standards equal to or better than those in the United States and in Western Europe. Bolstered by the apartheid system, whites monopolize policymaking and administration, dominate business ownership and management, and enjoy an ample supply of inexpensive domestic servants and of uncrowded and lavish recreational facilities.

Neither Fish nor Fowl

South Africa, nevertheless, is still far from a truly developed economy. Despite the rough equality in population of South Africa to Canada, for example, (26.5 million versus 23.3 million) South African GNP totaled only $33 billion in 1978, less than a fifth that of Canada. The difference lies in: (a) South African isolation from developed markets versus Canadian proximity to the United States and (b) Pretoria's deliberate attempt to limit the levels of skill, managerial ability, and entrepreneurial activity of South Africa's black majority -- 71 percent of the population -- compared with Ottawa's universal mandatory education program and non-discriminatory economic system. As a result, the growth of the middle and upper class markets in South Africa has been sluggish and the expansion in processing and finishing industries needed to maximize the return on the country's vast mineral resources has not been forthcoming.

Blacks Under Apartheid

Blacks have benefited to a limited degree in the progress achieved under white rule. Even though grossly inferior to those offered whites, the education, health services, and technical job training available to blacks in South

Africa are superior to those in black-run states in Africa. At about 50 percent, for example, South African black literacy is the highest in Africa, and the black infant mortality rate is among the lowest. A much larger proportion of South Africa's black population has broken out of subsistence farming into the lower middle class industrial and service sectors than in the rest of Africa.

At the same time, urban living for black South Africans is below standards in black-run African nations. Although the numbers of blacks with skilled or semi-skilled jobs are proportionately much smaller in Nigeria, Zambia, or Kenya than in South Africa, they enjoy better housing, greater freedom of movement and choice of homesite, and more freedom of opportunity to rise on the social ladder. Under apartheid, laws limiting home and land ownership as well as business ventures in the profitable white areas make the odds extremely poor for blacks to rise into the upper middle class or beyond. Only a very small proportion of black South Africans -- largely those that have been picked by Pretoria to head the black territories -- has a living standard equal to that of upper middle class whites.

Growth Performance

South African GNP grew 2.5 to 3.0 percent in 1978 follwing two years of less than 2 percent expansion. The pickup was due principally to a loosening in fiscal policy. Real government consumption expenditures rose an estimated 5 percent in 1978 reflecting termination of tight fiscal controls that Pretoria had maintained through 1976-77 to protect South Africa's international financial position. These had produced a dropoff in import growth which, combined with rising gold prices, caused a turnaround in South africa's current account from a $1.9 billion deficit in 1976 to surpluses of $580 million and $2.2 billion in 1977 and 1978.

Adding to the growth impetus in 1978 was a steady rise in industrial and commercial inventories in the last three quarters of the year, following two successive years of drawdowns. Still dragging, however, are private consumption expenditures and gross domestic fixed investment, reflecting the general wariness of consumers and investors over the uncertain political situation and high rate of inflation, which equaled 11.3 percent during the year ending October 1978.

The disruption of Iranian oil supplies is likely to curtail the upward growth trend in 1979. Having no oil

resources of its own, South Africa had been relying on Iran for a major proportion of its oil deliveries. The probable necessity now of paying premium prices for POL imports and perhaps of tightening rationing, in addition to the blow caused by the Iranian situation to business and consumer confidence, will continue to hold back spending.

African-US Economic Ties

Introduction

In the aggregate, economic relations with Africa account for only a small proportion of total US and other Western foreign economic activities. In the case of the United States, less than 5 percent of foreign trade, 2.5 percent of foreign direct investment, and 7 percent of bilateral aid goes to Africa. At the same time, however, the developed Western world -- including the United States -- relies on countries such as South Africa, Zaire, and Nigeria for chrome, cobalt, oil and other minerals as well as on agricultural products. These mineral and agricultural commodities in turn account for the bulk of African exports and serve as the principal engine of economic growth on the continent. Hence, an expansion in economic relations of all sorts, including manpower and managerial training, between Africa and the developed countries is essential for

improved economic growth in Africa.

General Trade Links

On a global basis, sub-Saharan trade with the United States is small, accounting for less than 5 percent of the total value of US trade in 1977. Only 14 of the 48 countries in sub-Saharan Africa have annual total trade values of more than $100 million with the United States; these 14 account for 93 percent of US trade with Africa.

Nigeria is by far the United States' major African trading partner, accounting for 54 percent of total US-African trade at just over $7 billion in 1977. Because of its oil sales, Nigeria's trade surplus with the United States amounts to more than $5 billion. South Africa stands a distant second in US-African trade with more than $2 billion in trade in 1977 -- 18 percent of the total. Ivory Coast is third as a sub-Saharan trade partner of the United States, with $400 million or 3 percent of the total in 1977; the majority of Ivorian exports to the United States are agricultural, including cocoa, coffee, and tropical hardwoods.

Of the 14 major sub-Saharan trade partners, only two -- South Africa and Sudan -- generally had trade deficits (f.o.b.) with the United States in the mid-1970s.

South Africa's major exports consist of minerals and metals, while its imports from the United States are higher valued finished goods. Similarly, the United States purchases little of the agricultural produce Sudan has to offer, but supplies much of the equipment and other manufactured goods Khartoum needs for its development drive. Besides South Africa and Sudan, only 14 African countries ran trade deficits with the United States in the mid-1970s. Of these, four along with South Africa and Sudan -- Senegal, Togo, Mauritania, and Cameroon -- had deficits of more than $15 million in any year.

The sub-Saharan countries generally have recorded increasingly large trade surpluses with the United States since 1972, mainly because of rising oil, coffee, and cocoa prices. At $6.8 billion in 1977, the sub-Saharan trade surplus (f.o.b.) represented one-fourth of the US trade deficit; Nigeria alone accounted for three-fourths of the African surplus with the United States.

US and Other Western Imports from Africa

Thirteen countries of sub-Saharan Africa are appreciable sources of minerals for the West. Some countries account for a small share of US imports, but

are significant suppliers to Western Europe or Japan. For example, Madagascar is an important source of chromium, and Mauritania a large supplier of iron ore for France, but these suppliers are not directly important to the United States.

The industrialized West depends heavily on South Africa for four important metals -- platinum group metals, chromium, manganese, and vanadium -- and for others of lesser importance -- antimony, gold, gem and industrial diamonds, nickel, and asbestos. South Africa accounts for about 87 percent of non-Communist production of platinum group metals, 76 percent of gold, 57 percent of vanadium, 41 percent of chromium, 31 percent of manganese, 30 percent of antimony, 27 percent of gem diamonds, and 13 percent of industrial diamonds. It is also the world's third largest uranium producer and together with Namibia supplies an estimated 50 percent of the British and West German uranium requirements and about 10 percent of Japanese needs. South African nickel supplies are important to Japan and the Netherlands, while the United States, the United Kingdom, and Japan are the principal importers of amosite asbestos, a heat insulating material produced only by South Africa, used in jet engines.

The bulk of Zaire's and Zambia's cobalt and copper supplies are exported to Western Europe, Japan, and the United States. Zaire, the largest non-Communist producer of cobalt, meets about one-half of US cobalt requirements. Zambia, a far smaller producer, exports most of its cobalt to the United Kingdom and Japan. Zairian copper is essential to Belgium's copper refining industry, while Zambian supplies make up a significant share of Japanese and British copper imports.

Gabon supplies approximately 60 percent of US manganese imports and about the same share of US consumption requirements. France is highly dependent on Gabon for manganese -- about 45 percent of imports -- and uranium. Almost one-half of French uranium needs are supplied by Gabon and Niger. Gabon, the second smallest OPEC producer, sends about one-half of its oil exports to West European and US markets where they account for insignificant shares of total Western oil requirements.

Bauxite from Guinea, the world's third largest producer is significant to France, West Germany, and the United States. The United States relies on Guinea for close to 25 percent of its bauxite imports. When alumina is added to the import category as in table 8,

Guinea accounts for a smaller share of US imports because of its limited refining capability. Ghana, accounting for less than 1 percent of total world output of bauxite, sends most of its supplies to the United Kingdom, where it accounts for more than one-half of British import requirements.

Namibia's principal mineral exports to the West are uranium and gem diamonds. Presently the world's fourth largest uranium producer, Namibia could move into the number three position in the not too distant future given its sizable reserves. Namibia ranks as the world's third largest producer of gem diamonds after South Africa and the USSR.

Once a major supplier of chromium to the United States, Rhodesia accounted for 7 percent of chromium and 10 percent of ferrochrome imports in 1976. The 1977 repeal of the Byrd Amendment outlawed US imports of Rhodesian chrome. Other Western countries do not report trade with Rhodesia because of its political sensitivity. An indeterminable portion of Rhodesia's chrome is almost certainly processed in South Africa and accordingly is exported as a South African product. Recent technological advances in stainless steel production have lessened the importance of Rhodesian high-grade chrome to the West,

but at the same time, have increased the importance of South African lower grade supplies.

Major Agricultural Suppliers

With Indonesia the only other significant source of robusta coffee and accounting for only 8 percent of world production, the United States, Western Europe, and Japan are highly dependent on African robusta supplies, which are used to produce instant coffee and for inblending with better quality South American grades. There are 16 sub-Saharan robusta producers, of which the Ivory Coast, Uganda and Zaire are the largest.

Africa's high-quality cocoa is important to West European chocolate manufacturers. The Ivory Coast, Ghana, and Nigeria are the largest suppliers. Kenya, the world's third largest tea exporter, supplies 20 percent of tea imports for the United Kingdom, 15 percent for the Netherlands, and 13 percent for the United States. Mauritius is a significant source of sugar for the United Kingdom as is Reunion for France.

Although Indonesia is the world's largest clove producer, the West depends on supplies from Tanzania, Madagascar, and the Comoro Islands because Indonesia consumes virtually all its output. Madagascar, the Comoro Islands, and Reunion dominate the vanilla market, accounting for about 90 percent of world exports.

US Exports to Africa

US sales to Africa totaled $3.2 billion in 1977, less than 3 percent of total US exports. About 60 percent consisted of machinery, transport equipment, and other manufactured goods, followed by food and beverages (15 percent). South Africa was the principal purchaser, accounting for one third of US exports to Africa. Nigeria took another 30 percent. Prospects for rapid growth in US exports to Africa appear poor, in view of the overall slow economic growth likely on the continent. Growth in exports to South Africa, which has the most potential for expanded foreign purchases, will be slowed by continued international pressures against apartheid and possibly by problems with oil supplies because of the Iranian situation.

US Investment in Africa

Sub-Saharan Africa traditionally has not attracted a great deal of US direct investment because most countries in the area suffer from skilled labor shortages, small domestic markets, and frequent political instability. More recently, Africanization policies by host governments have discouraged US businessmen. At yearend 1976, only 2.6 percent of the stock of US foreign direct investment was in the sub-Sahara -- a share that has held relatively steady for several decades. The

net book value* of these investments stood at just over $3.5 billion, with more than one-half the total in the extractive industries.

South Africa consistently has been the focus of US business interests in the sub-Sahara and at yearend 1976 accounted for almost one-half the stock of US investment in Africa at $1.7 billion. Only eight other sub-Saharan economies -- Liberia, Nigeria, Zambia, Ghana, Zaire, rhodesia, Kenya and Gabon -- have investments of more than $90 million. The nine countries together account for almost 90 percent of US investment in Africa.

South Africa has traditionally been of interest to foreign investors because of the country's mineral resources, relatively developed services sector, generally high rates of economic growth, and favorable government investment policies. Only in the past few years have racial outbreaks against Pretoria's apartheid system as well as prolonged economic recession dampened US business interest. In 1975-76, US investment in the country grew only 14 percent, and South Africa's share of US sub-Saharan investment fell 5 percentage points.

* Net book values are the cumulative values of holdings on companies' accounts and generally reflect the cost (after depreciation) of investment and reinvestment of earnings less liabilities. While book values are subject to a large degree of error and are likely to understate current values of investment, they have been used in this report because they are more uniformly defined and collected than any alternative valuation.

In marked contrast to US investment patterns elsewhere in Africa, investment in manufacturing represented 42 percent of the US stock at yearend 1976. These investments play a major role in the South African economy. US companies dominate South African markets for some high-technology items, such as computers and aircraft parts, and are major competitors with European companies in large segments of the consumer and capital goods markets, including automobiles, home appliances, petroleum products, farm and construction tractors, and the like. Another 42 percent was distributed among the mining, smelting, and petroleum industries.

Liberia accounted for 10 percent of US direct investment in sub-Saharan Africa in 1976. Political stability, the limited number of restrictions on foreign investors, and historically close ties with the United States have been among Monrovia's major drawing cards. About one-fourth of US investment in the country is in the transportation and communications sectors, reflecting the interests of US mining and rubber companies in developing routes to serve their own facilities. Investment in petroleum refining accounts for another one-fourth, while the traditional sectors of rubber and iron ore explain most of the rest.

The bulk of US investment in Nigeria in recent years -- 80 to 90 percent -- has been connected with the petroleum industry. However, exploration activities were curtailed sharply in 1976 in response to Lagos' aggressive oil pricing policies, which cut into company profits. More recently, a revenue pinch has prodded the government into more liberal oil pricing policies, but the shift has not been dramatic enough to induce US companies to increase sharply investment funds. Overall, the investment climate in Nigeria has been far from ideal since the current government came to power in 1975 and changed investment laws to require partial Nigerian Government ownership in foreign investments.

US and Other Aid to Africa

Net bilateral US economic assistance to sub-Saharan Africa, which totaled $773 million in 1974-76, is small compared with aid provided by former European colonizers. France is by far the largest individual aid donor, while economic assistance from Arab OPEC states has been growing rapidly in recent years. In contrast, bilateral US aid to the region declined, in part due to a growing preference in Washington for multilateral assistance. The size of the Communist economic aid contribution, about 70 percent of which is given by China, remains

roughly comparable to that of the United States.

In the mid-1970s, US net bilateral economic aid to sub-Saharan Africa averaged $244 million annually, ranking the US second to France as a bilateral donor to the area. Taking about 7 percent of total US economic aid, the sub-Saharan countries did not absorb US funds commensurate with their share of LDC population. Out of the 48 countries of sub-Saharan Africa, five received more than one-half of the total bilateral aid disbursed and 10 accounted for about 70 percent of US outlays. With $182 million in net US bilateral assistance in 1974-76, Zaire was by far the major African beneficiary of US largesse, its intake more than double that of the nearest contender -- Ethiopia. Zaire's lead probably would be even stronger if 1977 data were considered since US flows to Ethiopia ebbed with the outbreak of hostilities in the area.

On a per capita basis, the top beneficiaries were somewhat different. Indeed, of the top 10 recipients counted by total value, only Mali, Niger, and Zaire were among the major per capita beneficiaries. Gabon and Botswana stand out on a per capita basis, their inhabitants gleaning $22 each from the United States in 1974-76. Mauritania also ranks high while Cape Verde

has obtained considerable help since its independence from Portugal in 1975.

The United States also is a major supplier of aid to the sub-Saharan area through its contributions to multilateral institutions, which in 1974-76 contributed $1.1 billion annually to the region. On the basis of total value the major multilateral aid recipients are similar to those receiving bilateral US assistance -- seven out of the top 10 are the same, although rankings differ considerably with Kenya, Tanzania, and Sudan the top three multilateral beneficiaries. Multilateral aid also is more diffused than bilateral flows, with the top 10 African beneficiaries receiving only 53 percent of total assistance to the area. On a per capital basis, multilateral aid little resembles US bilateral outlays; only Botswana, Swaziland, and Lesotho appear in the top 10 of both lists.

Table 1

Sub-Saharan Africa: Selected Economic Statistics

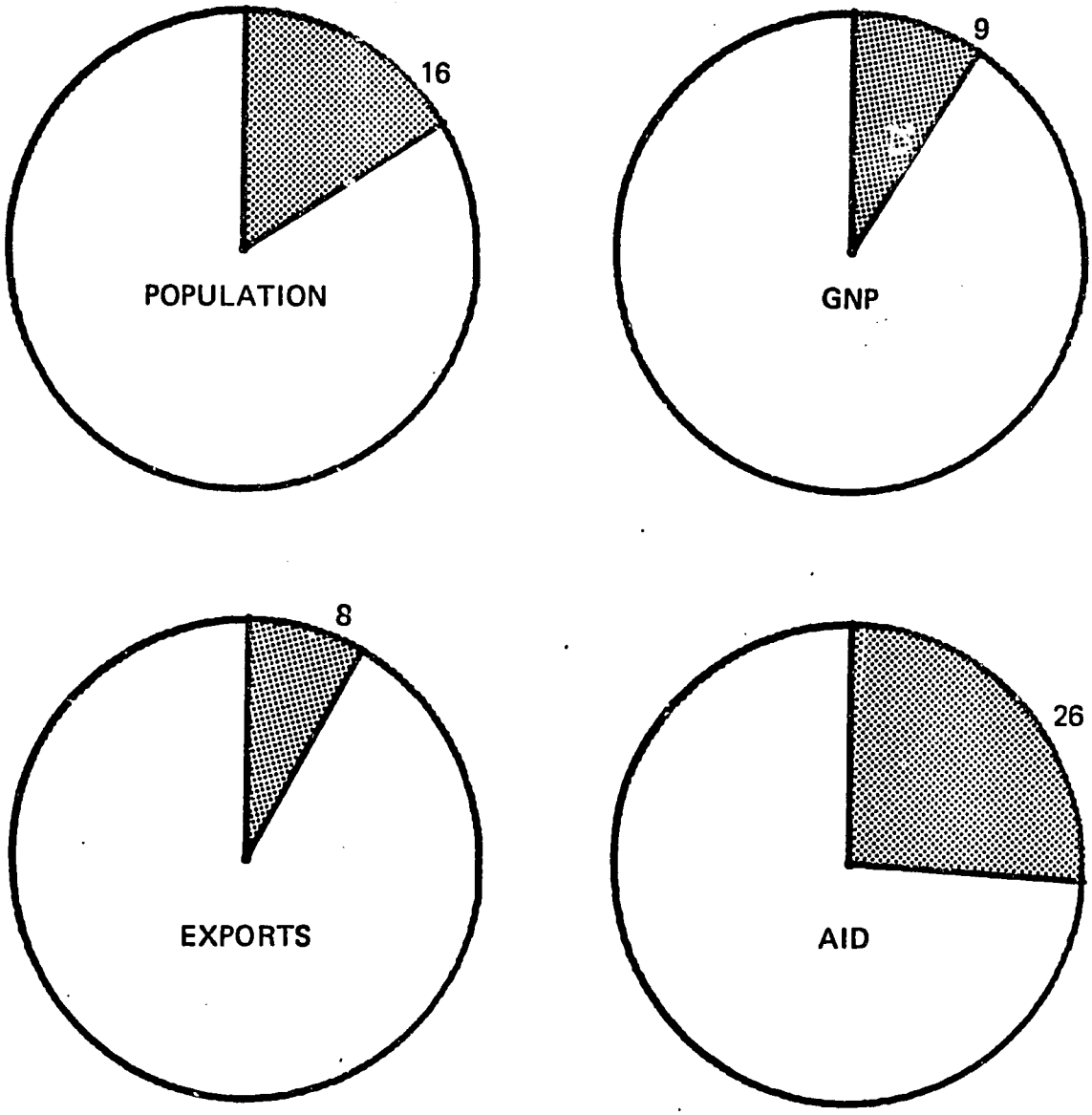
	Population Midyear 1978 (Thousand Persons)	Year	Wage Earners (Thousand Persons)	Electric Power Production (Million kWh)	1976 Million US $ Exports f.o.b.	1976 Million US $ Imports c.i.f.	Million US $ GDP 1976
Angola	6,449	1975	NA	1,305	1,200[1]	614[1]	3,000[1]
Benin	3,376	1975	50	55	106	264	660[2]
Botswana	750	1975	66	85	176	209	300[1]
Burundi	4,212		NA	25	58	59	450
Cameroon	8,008		NA	1,347	511	609	2,500[2]
Cape Verde Islands	315		NA	7	3[1]	31[1]	50[1]
Central African Empire	1,912	1974	50[3]	106	80	79	394
Chad	4,289		NA	60	77	98	292
Comoros	317	1977	12	3	10	14	70
Congo	1,464	1968	80	130	220	329	700[2]
Djibouti	180	1977	5	55	20[1]	74[1]	65[1]
Equatorial Guinea	336		NA	17	19[1]	21[1]	70[1]
Ethiopia	29,679	1977	300	500	278	350	2,900
Gabon	571	1975	95	376	1,225	717	2,400
Gambia	568	1975	19	30	55	66	115
Ghana	11,366	1973	400	4,000	804	845	8,000
Guinea	5,898	1975	126	500	240	248	821
Guinea-Bissau	620		NA	17	11	31	112[1]
Ivory Coast	7,266	1973	220	1,200	1,631	1,296	4,400
Kenya	14,837	1976	858	1,300	787	969	3,200
Lesotho	1,277	1977	28	[4]	12	15	315[1]
Liberia	1,733	1975	79	980	460	349	923
Madagascar	8,158	1976	924	465	309	360	1,780
Malawi	5,694	1977	283	315	160	224	715
Mali	6,204	1975	105	105	95	113	590
Mauritania	1,542	1977	40	100	196	215	381
Mauritius	918	1977	290	312	265	359	572
Mozambique	9,866	1972	127	4,600	151	420	2,000[1]
Niger	4,995	1975	30	70	134	176	454[1]
Nigeria	68,486	1975	2,180	4,000	10,566	8,199	32,000[2]
Reunion	491		NA	185	62	410	NA
Rhodesia	6,972	1976	1,000	7,500	652[1]	541[1]	3,000
Rwanda	4,444	1975	33[3]	142	104	104	603
Sao Tome and Principe	75	1970	22	5	19	9	20[1]
Senegal	5,380		NA	603	503	663	1,684
Seychelles	62	1977	16	25	6[1]	33[1]	29[1]
Sierra Leone	3,256	1975	62	204	105	124	620[1]
Somalia	3,388	1978	50	45	85	176	350
Sudan	17,624	1978	870	672	554	980	3,900
Swaziland	526	1975	62	130	280[1]	264[1]	2,24[1]
Tanzania	16,838	1976	457	1,278	490	639	2,400
Togo	2,458	1975	192	110	128	162	,525[1]
Uganda	12,780	1976	358	1,028	320	237	2,807
Upper Volta	6,508	1975	37	57	83	182	644
Western Sahara	117		NA	NA	2[1]	1[1]	NA
Zaire	27,080	1971	637	5,112	1,016	1,029	3,590
Zambia	5,471	1974	385	7,190	1,040	798	2,065

[1] Data for most recent year other than 1976.
[2] Data for 1977.
[3] Estimate.
[4] Imports 20 million kWh from South Africa.

Figure 1

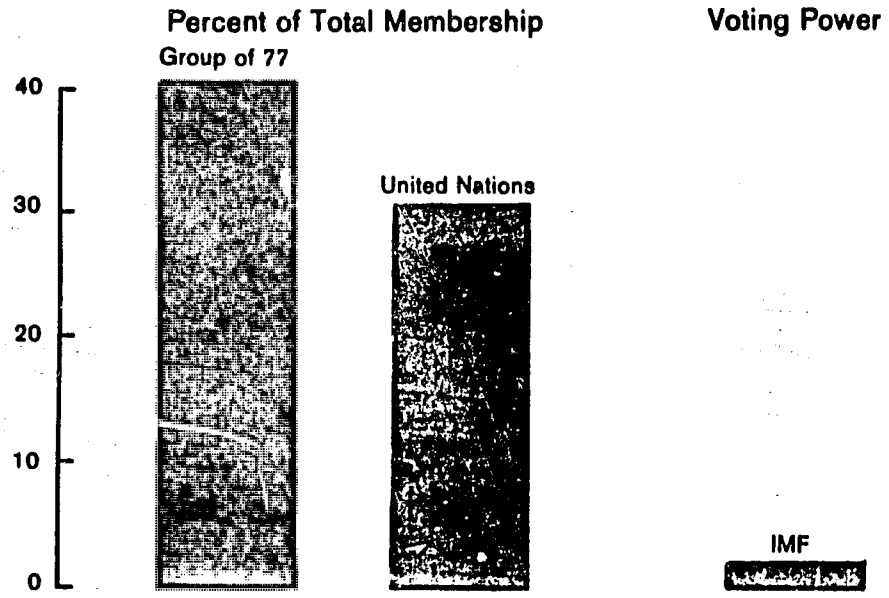
Sub-Saharan Africa: Economic Position In Perspective, 1976

Percent of LDC Total



SUB-SAHARAN AFRICA: Strength in International Organizations

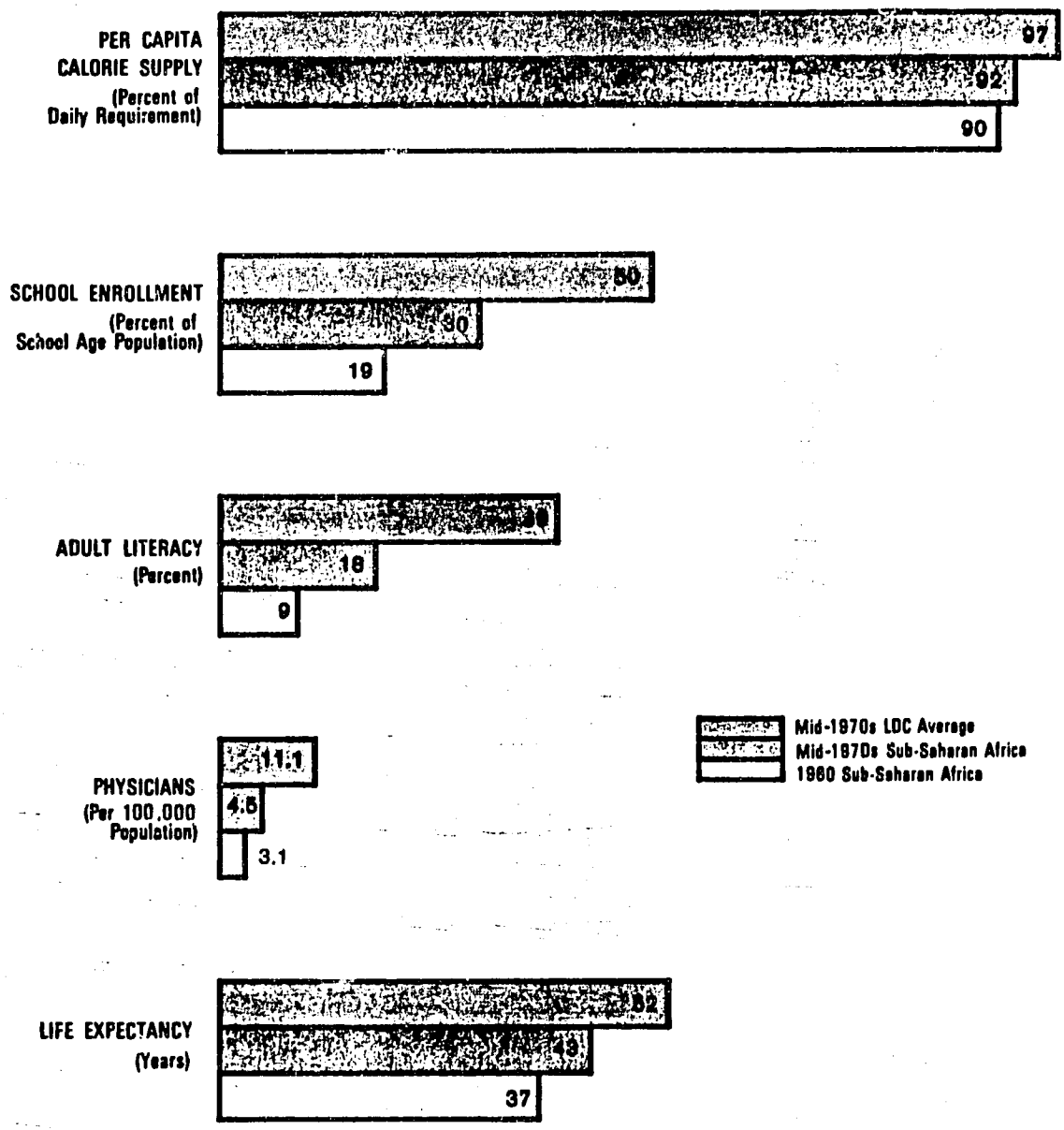
Figure 2



576547 7-78

SUB-SAHARAN AFRICA:
Social Indicators

Figure 3



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SUB-SAHARAN AFRICA: Real GNP Growth Trends
(Average annual rates)

Figure 4

	Less than 3%	3% to 4.9%	5% to 6.9%	More than 7%
1961–1970	Benin Central African Empire Chad Ghana Mali Mauritius Senegal Somalia Sudan Upper Volta Zaire	Burundi Cameroon Ethiopia Gambia Guinea Lesotho Liberia Madagascar Malawi Niger Nigeria Rhodesia Zambia	Angola Congo, P.R. Kenya Mozambique Sierra Leone Tanzania Uganda	Botswana Gabon Ivory Coast Mauritania Swaziland Togo
1971–1977	Angola Benin Central African Empire Chad Congo, P.R. Ethiopia Ghana Lesotho Madagascar Mauritania Mozambique Niger Senegal Sierra Leone Somalia Togo Uganda Zaire Zambia	Burundi Cameroon Gambia Kenya Liberia Mali Rhodesia Sudan Tanzania Upper Volta	Guinea Ivory Coast Mauritius Nigeria Rwanda	Botswana Gabon Malawi Swaziland

576534 7-78

Table 2

Sub-Saharan Africa: Employment Trends in Selected Countries

Size of Wage and Salary Labor Force	Country	Change in Employment Since 1970
More than 1,000,000	Nigeria	Up strongly as a result of the oil boom
500,000 to 1,000,000	Zaire	Down slightly since 1975
	Madagascar	No appreciable change
	Kenya	Down slightly
	Sudan	No appreciable change
250,000 to 499,999	Ethiopia	Probably down since 1973 revolution
	Ghana	Down slightly
	Malawi	Up steadily
	Mauritius	Up steadily
	Zambia	No appreciable change
	Uganda	Down sharply since early 1970s
	Tanzania	No appreciable change
100,000 to 249,999	Guinea	About the same
	Ivory Coast	Up steadily
	Mali	Up slightly
	Mozambique	Down sharply
	Togo	Up slightly

Table 3

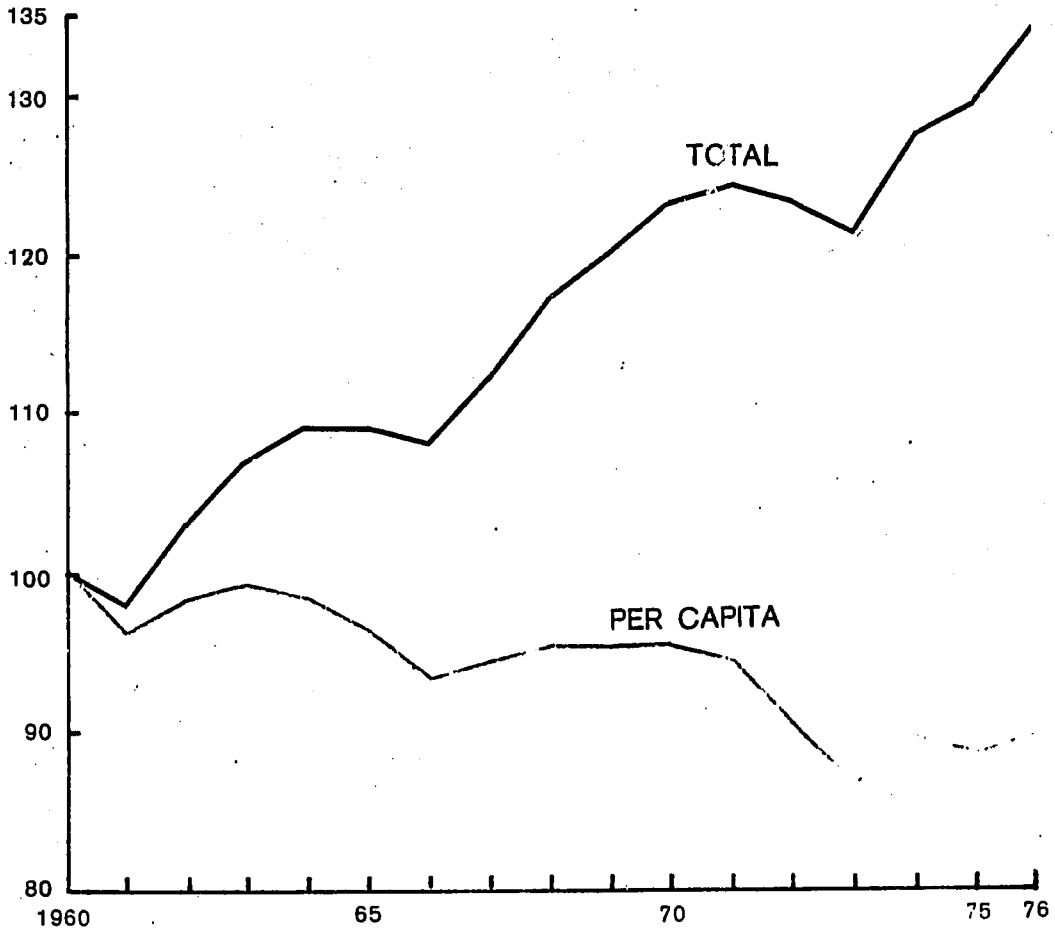
Sub-Saharan Africa: Urbanization Trends and Population Centers

1960	Trend	1975
Mauritius Seychelles	More than 25%	Congo Ghana Ivory Coast Liberia Mauritius Senegal Seychelles Zaire Zambia
Cameroon Central African Empire Congo Gabon Nigeria Rhodesia Zaire Ghana Reunion Senegal Zambia	11-25%	Angola Botswana Chad Equatorial Guinea Ethiopia Guinea Rhodesia Somalia Sudan Benin Cameroon Gambia Gabon Nigeria Sierra Leone Togo
Angola Chad Guinea Mali Togo Upper Volta Benin Gambia Kenya Niger Sudan Uganda	5-10%	Cape Verde Islands Comoros Kenya Mali Tanzania Upper Volta Malawi Mozambique Uganda

1960	Population Centers	1975
None	More than 1,000,000	Lagos Kinshasa
Ibadan Lagos	501,000-1,000,000	Accra Addis Ababa Ibadan Kampala Nairobi Abidjan Dakar Kananga Luanda
Accra Dakar Nairobi Addis Ababa Kinshasa	250,000-500,000	Bangui Lusaka Mogadiscio Douala Dar es Salaam Maputo Kumasi

SUB-SAHARAN AFRICA:
Agricultural Production Trends
Index: 1960=100

Figure 5

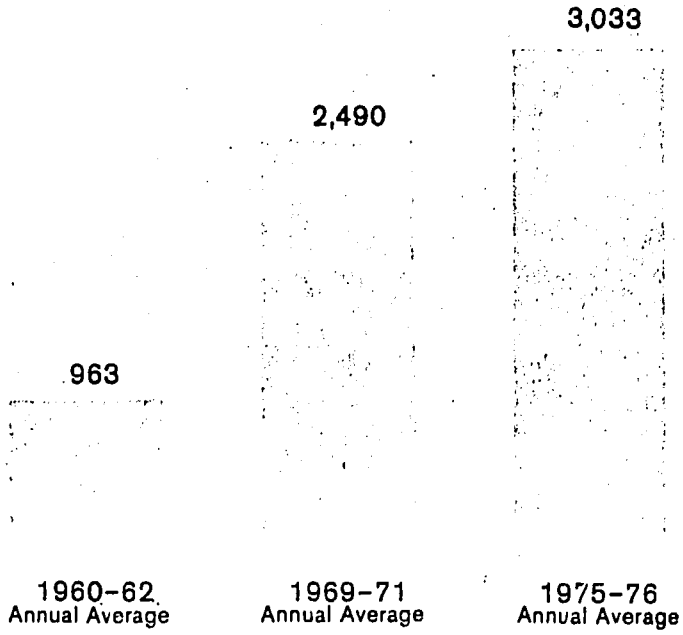


576535 7-78

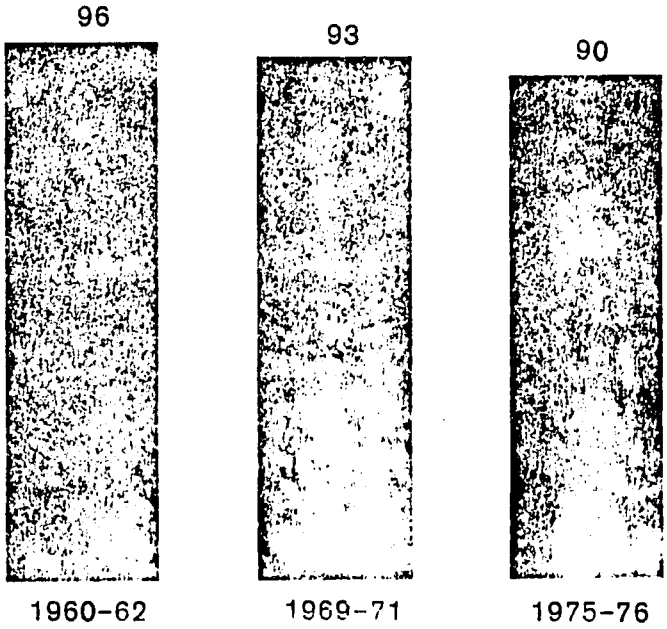
SUB-SAHARAN AFRICA: Net Grain Imports and Self-Sufficiency

Figure 6

Net Grain Imports
(Thousand Metric Tons)



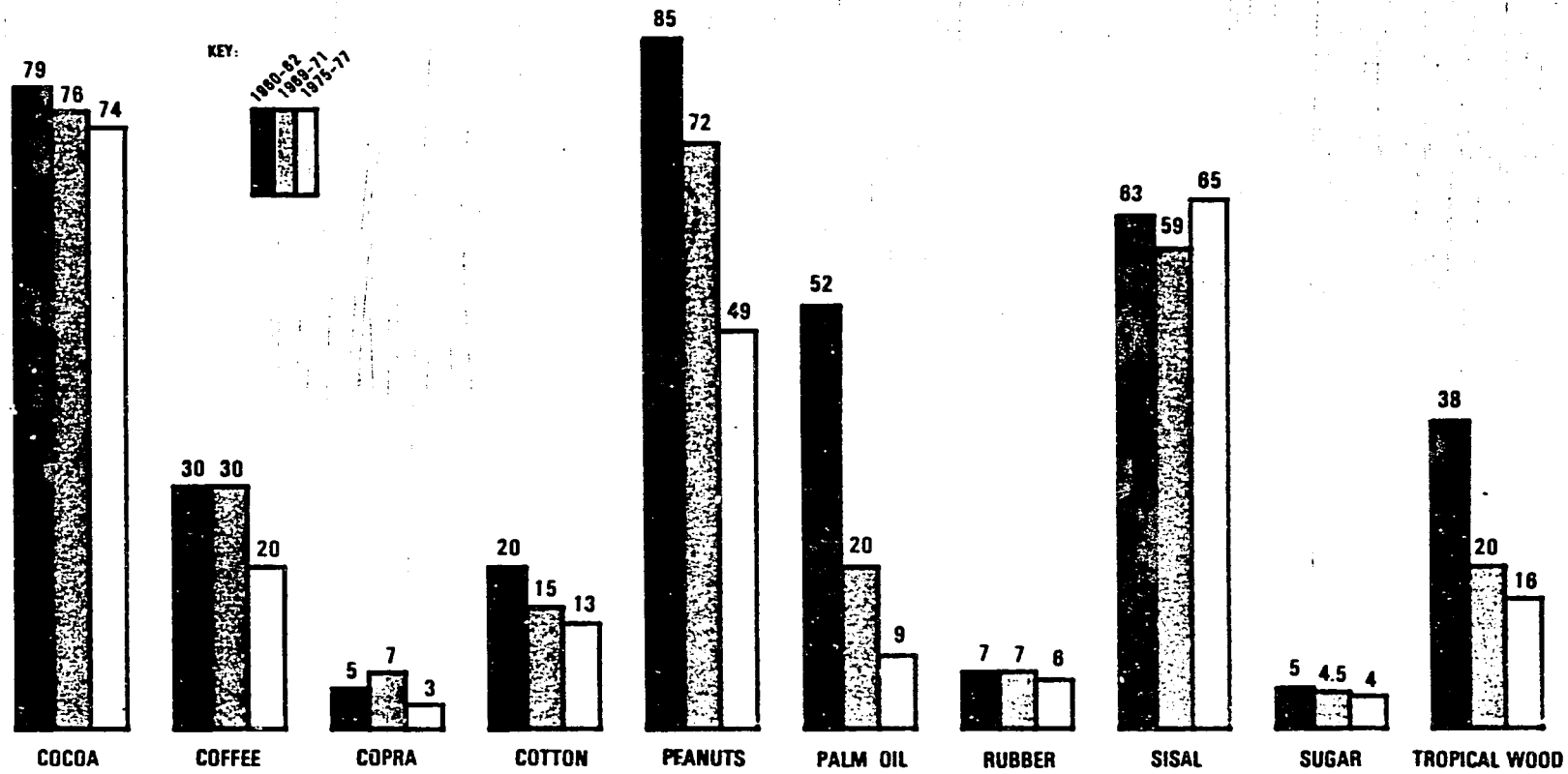
Grain Self-sufficiency
(Domestic production as a percent of consumption)



576536 7-78

Figure 7

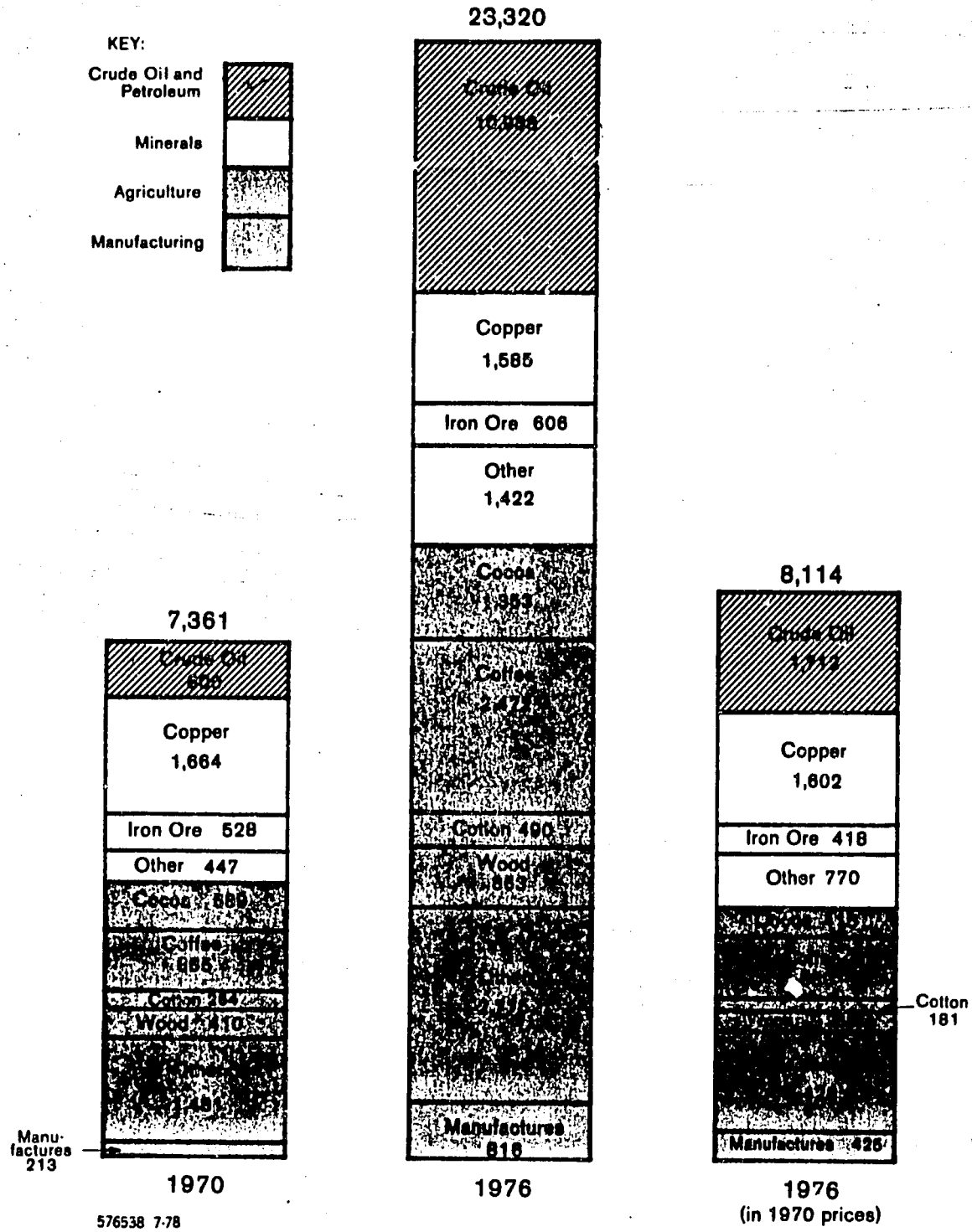
SUB-SAHARAN AFRICA:
Share of World Export Market for Selected Cash Crops
Percent of Total



576537 7-78

Figure 8

SUB-SAHARAN AFRICA:
Major Export Commodities
Million US $

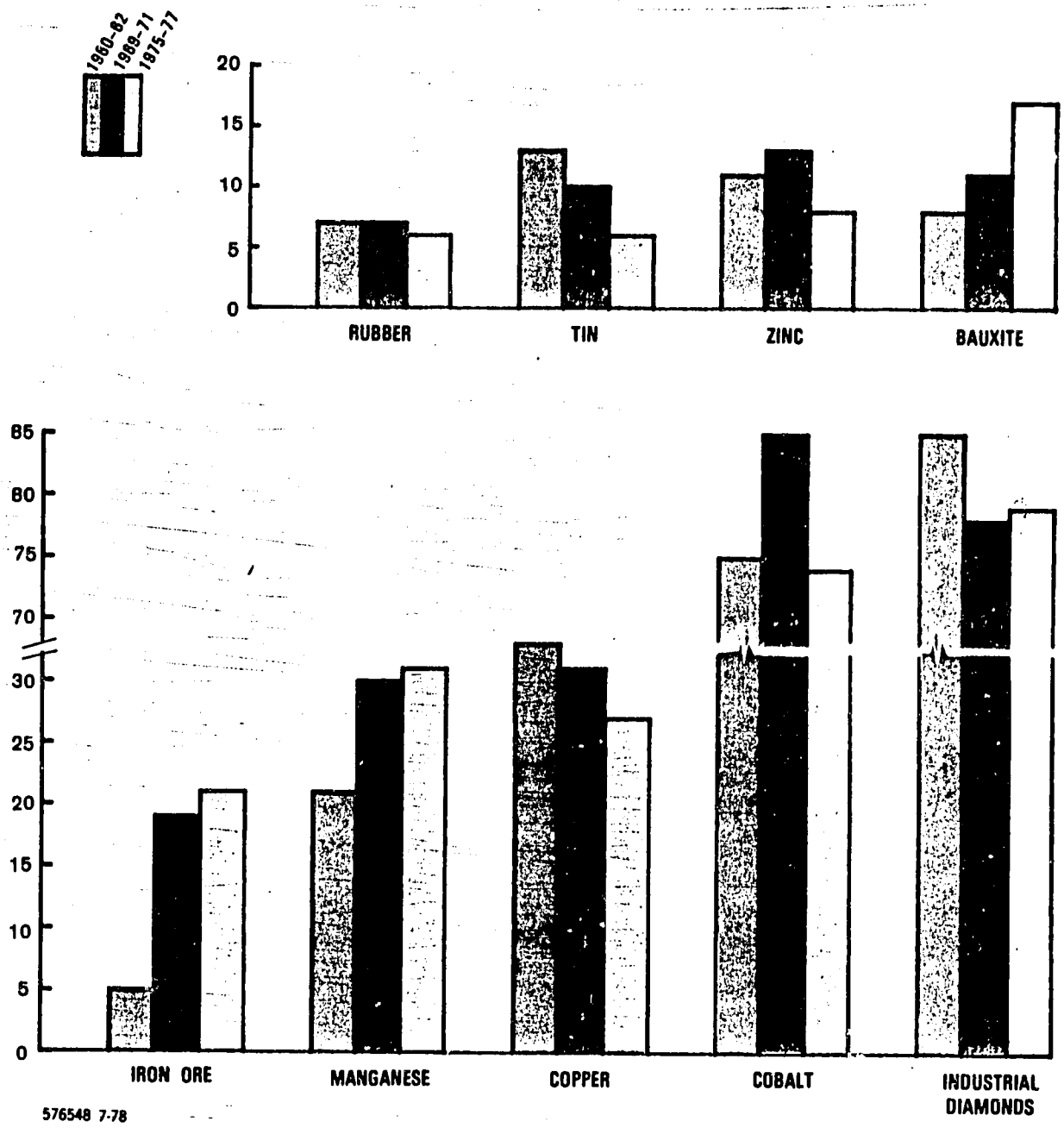


576538 7-78

SUB-SAHARAN AFRICA:
World Export Markets for Primary Products

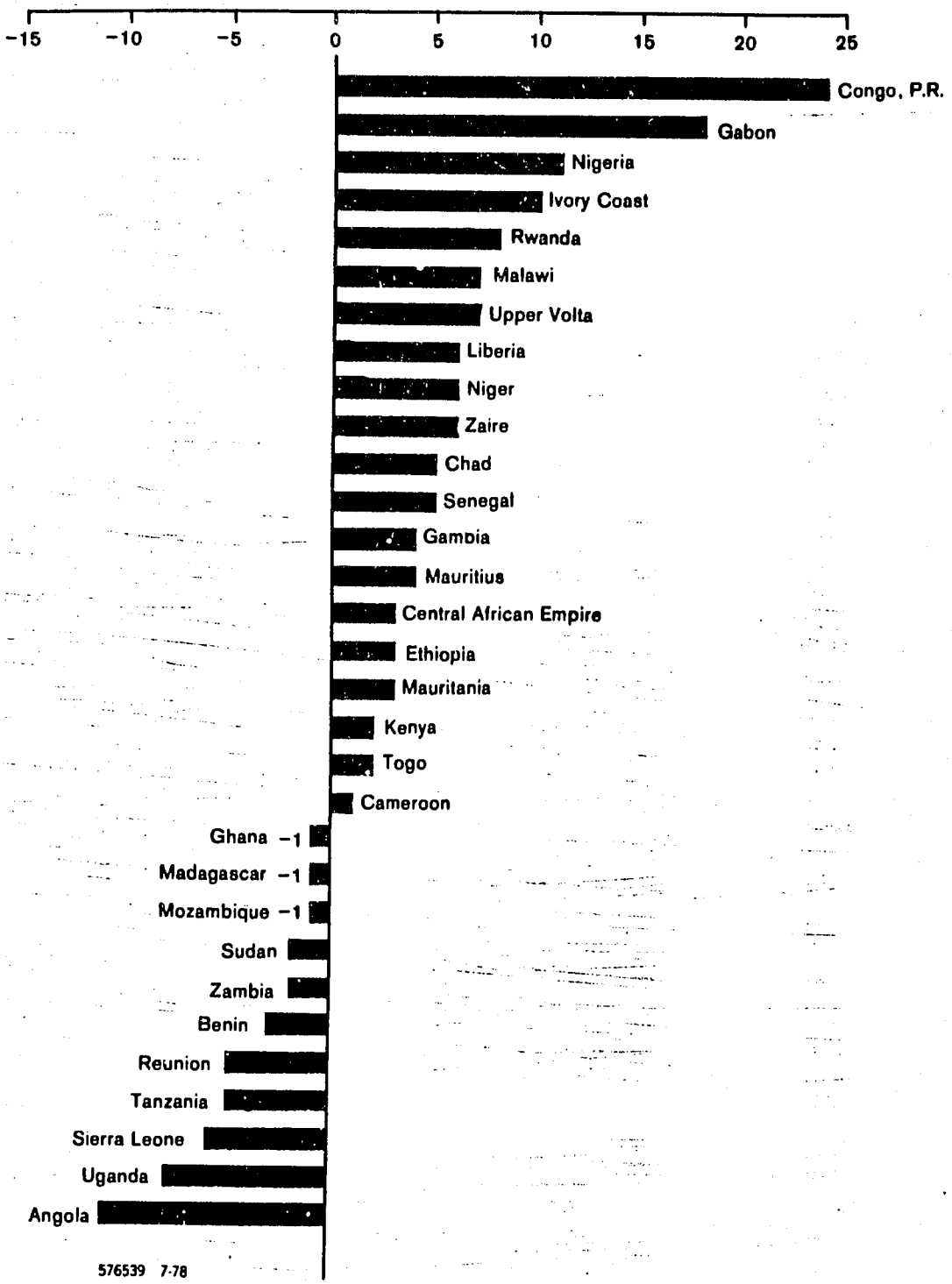
Figure 9

Percent of Total



SUB-SAHARAN AFRICA:
Export Volume Trends, 1971–76
(Average Annual Percent Change)

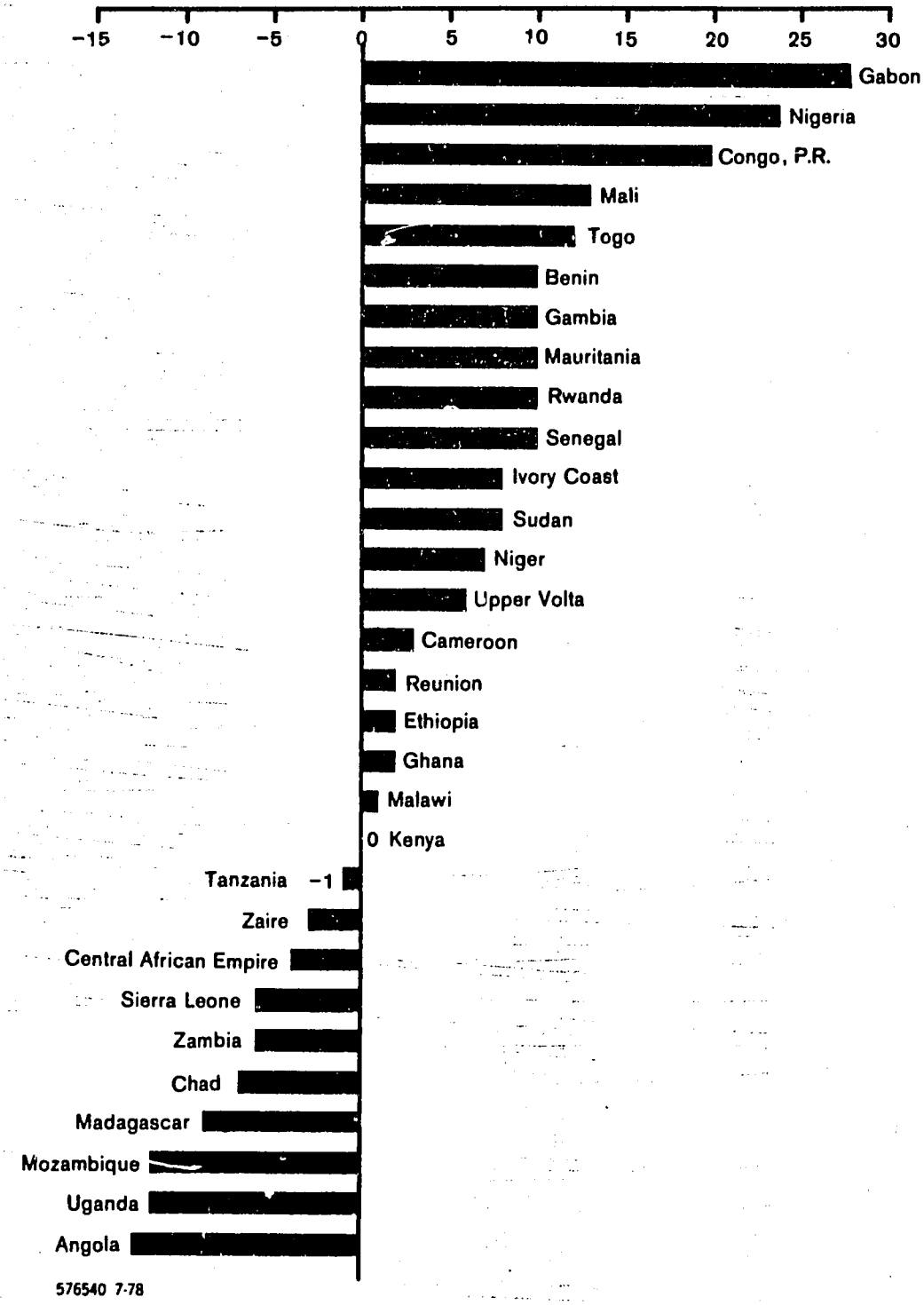
Figure 10



SUB-SAHARAN AFRICA: Import Volume Trends, 1971–76

(Average Annual Percent Change)

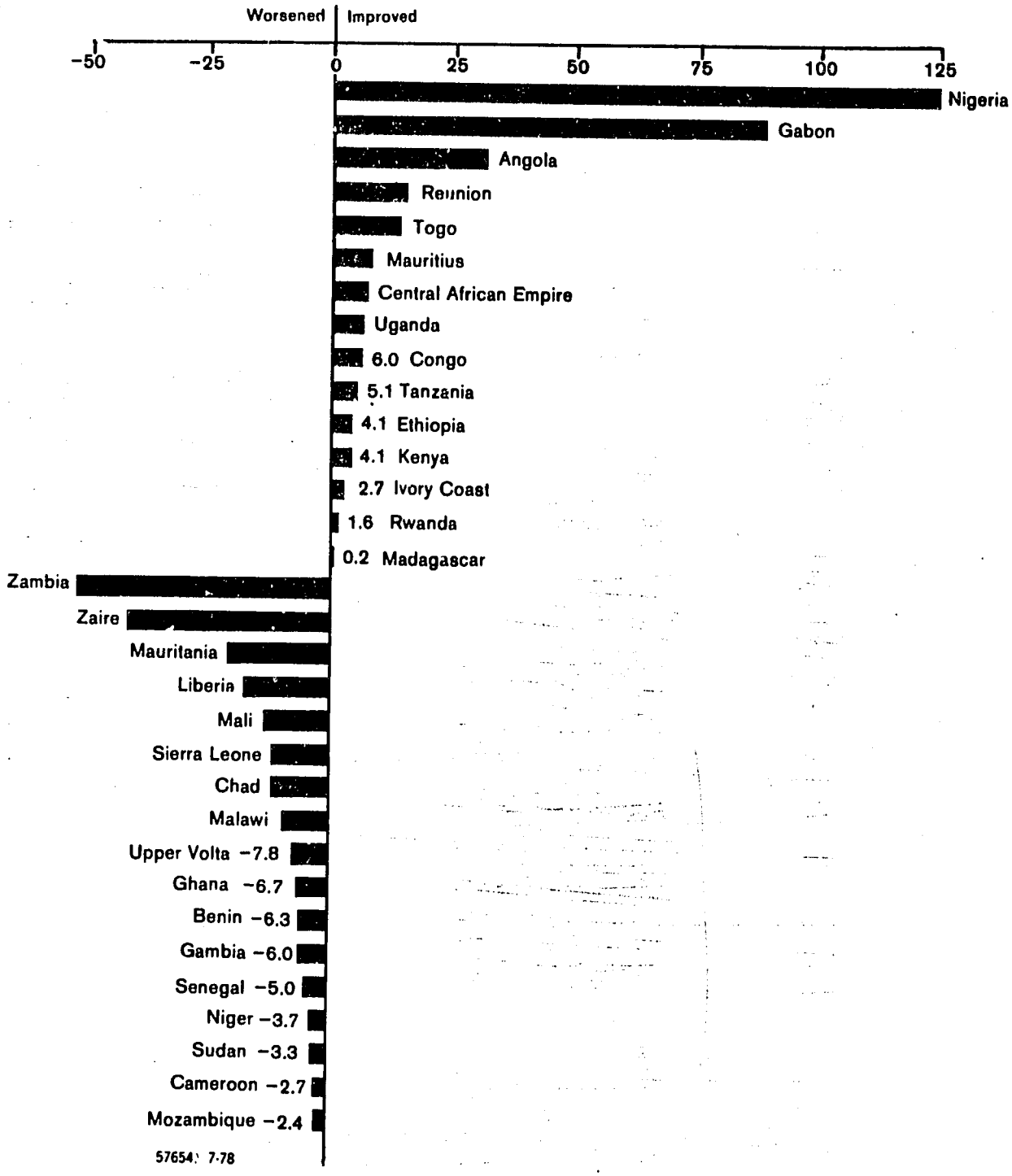
Figure 11



SUB-SAHARAN AFRICA: Terms of Trade, 1971–76

Figure 12

Percent Change



SUB-SAHARAN AFRICA:
Selected Trade Balances (f.o.b./c.i.f.)

Figure 13

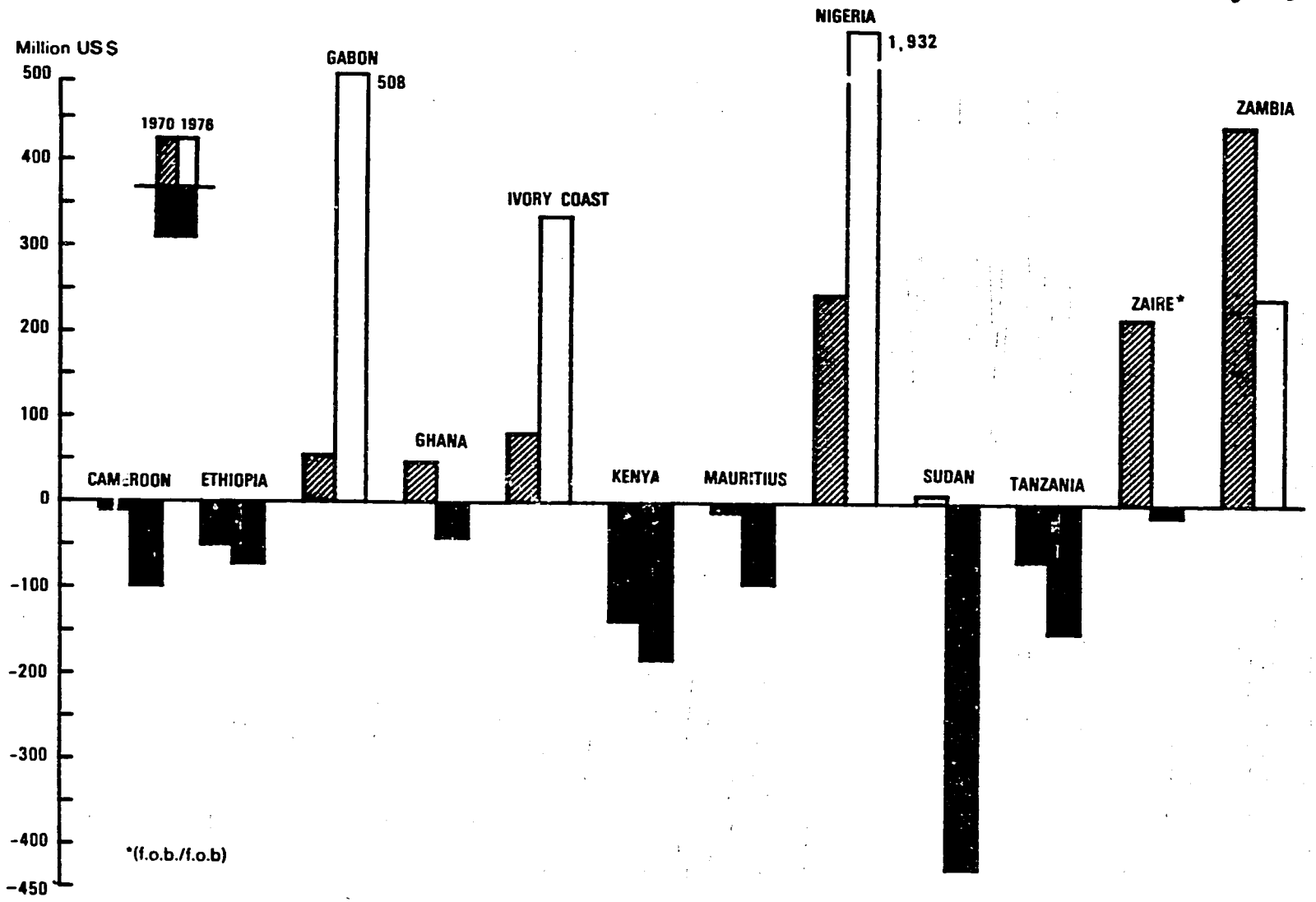
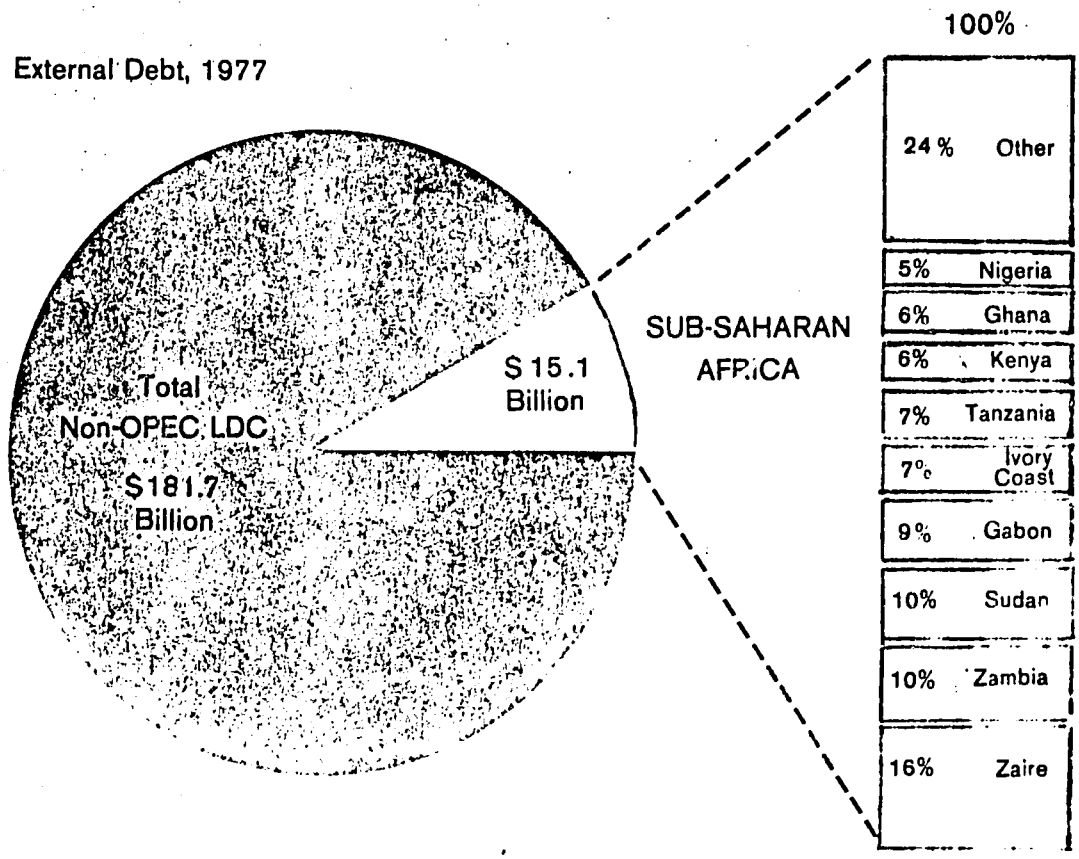


Figure 14

SUB-SAHARAN AFRICA: External Debt Position

External Debt, 1977



Debt Service Ratio*, 1977

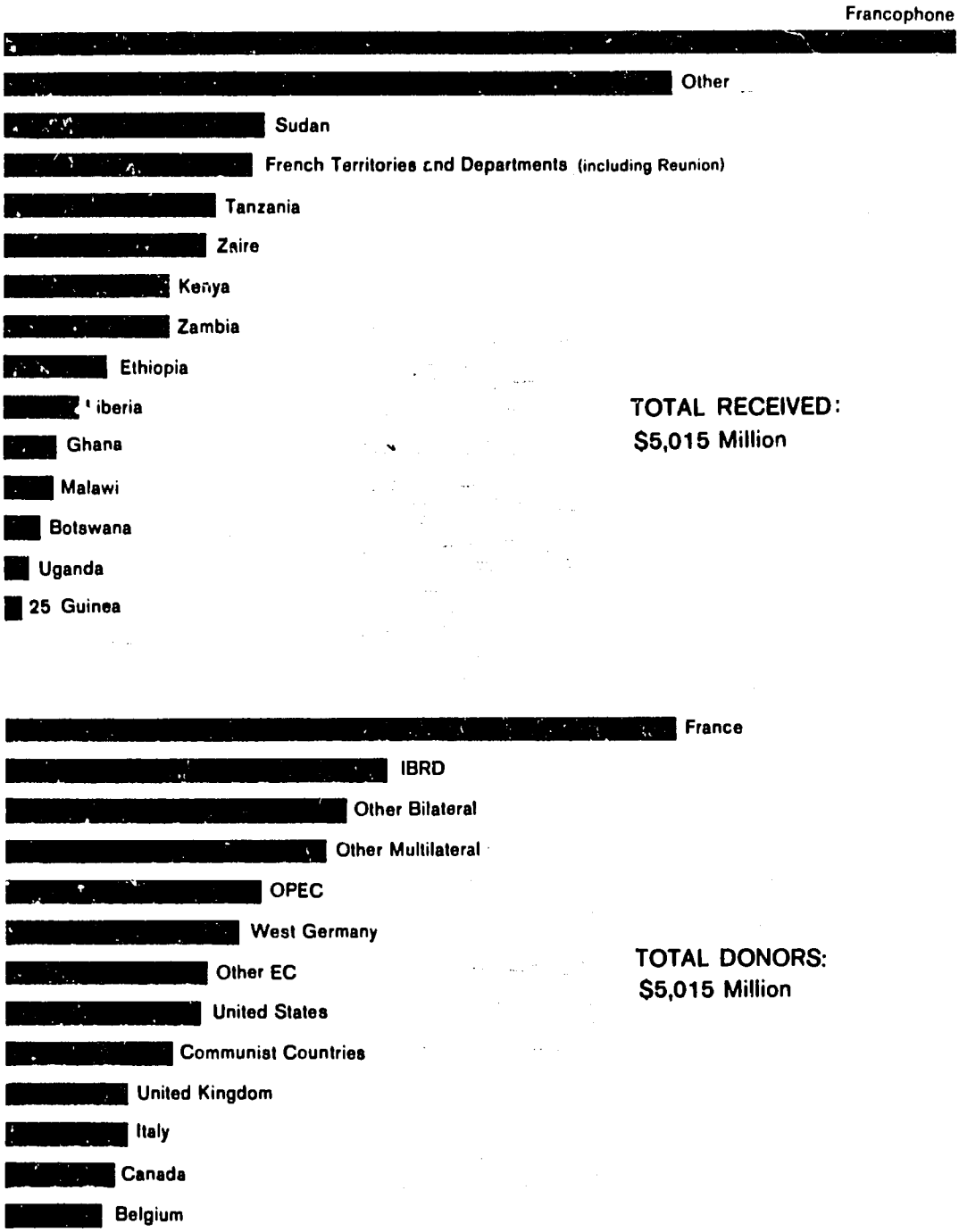
Less than 10%		10–15%	More than 15%
Cameroon	Gambia	Ivory Coast	Zaire
Congo, P.R.	Botswana	Sierra Leone	Sudan
Ghana	Lesotho	Somalia	Gabon
Mauritius	Swaziland	Zambia	
Senegal	Malawi	Niger	
Togo	Rwanda		
Benin	Tanzania		
Central African Empire	Kenya		
	Uganda		
Chad	Nigeria		

576542 7-78

*Debt service as a percent of exports of goods and services

Figure 15

SUB-SAHARAN AFRICA:
Major Foreign Aid Recipients and Donors, 1976*

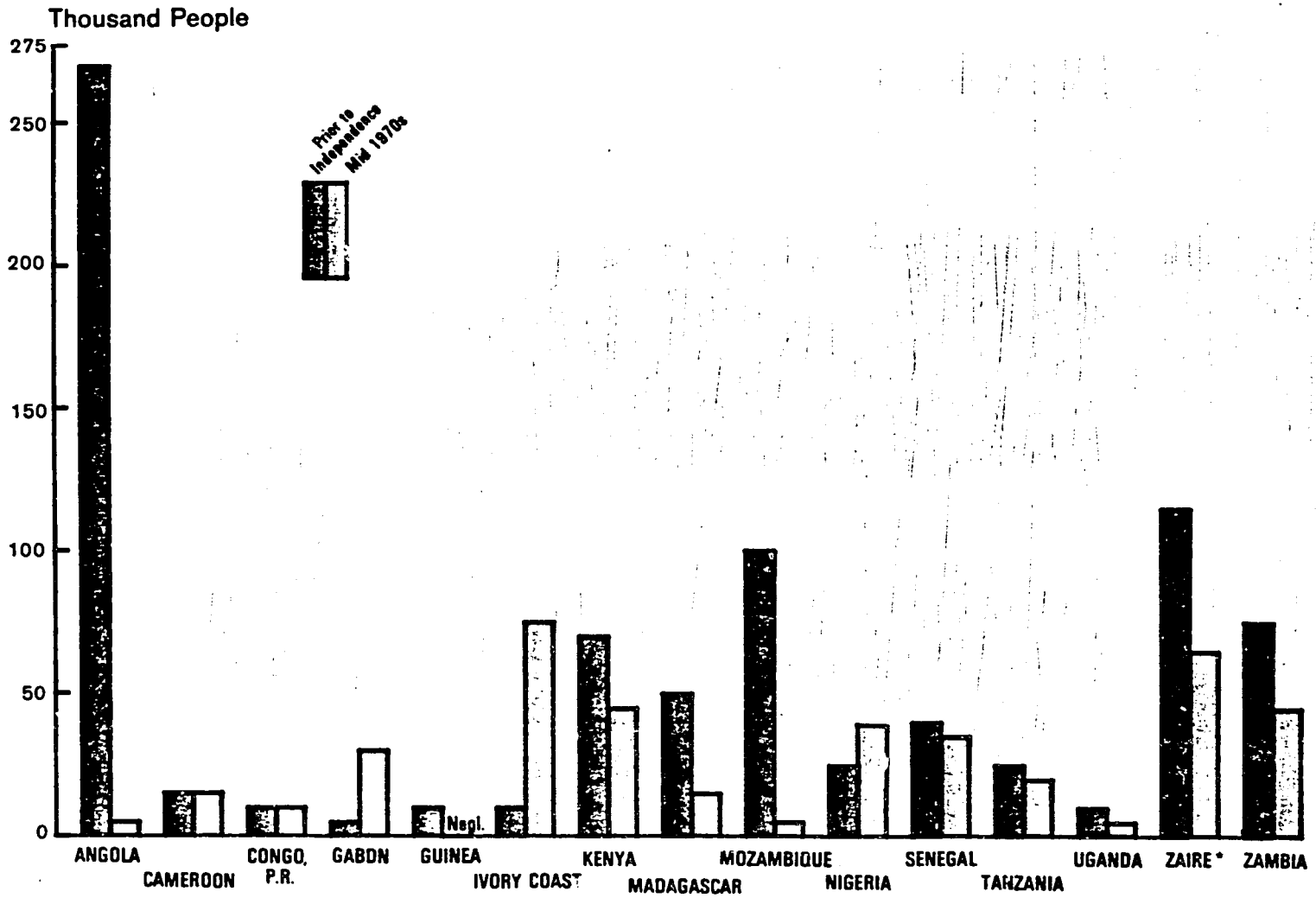


*Gross disbursements including ODA and other official flows.

576544 7-78

Figure 16

SUB-SAHARAN AFRICA:
European and American Populations in Selected Countries



*Prior to Shaba Province disturbances in 1978; total number of whites may have fallen by a few thousand.

576546 7-78

Table 4
South Africa: Key Economic Statistics

General Indicators

Population Mid-Year 1978 Thousand persons	Wage Earners Thousand persons	Electric Power Production Million KWH	Gross Domestic Product 1977 Billion US $	Percent Growth 1976	1977	1978 1/
27,432	5,885	80,198	39.8	1.5	0.2	2.5-3.0

Estimated Per Capita Income by Race, 1976

	Population Thousands	Percent	Per Capita Income US $	Share of Total Income Percent
Total	26,129	100	1,030	100
Whites	4,320	17	4,060	65
Asians	746	3	1,090	3
Mixed race	2,434	9	780	7
Black	18,629	71	360	25

Current Account

	1974	1975	1976	1977	1978 1/
Current account	-1,455	-2,445	-1,870	863	2,250
Exports	8,434	8,446	8,332	10,496	13,550
of which:					
Gold	3,776	3,470	2,698	3,214	4,425
Imports	-8,480	-9,174	-8,559	-7,927	-9,300
Services & Transfers	1,409	-1,717	-1,633	-1,706	-2,000

1/ Estimated.

Table 5

Sub-Saharan Africa: Trade With the United States [1]

	1976 Million US $				1977 Million US $			
	African Exports	African Imports	Total Trade	Percent Share of African Trade With the United States	African Exports	African Imports	Total Trade	Percent Share of African Trade With the United States
Total	**8,014.1**	**3,183.3**	**11,197.4**	**100.0**	**9,911.5**	**3,151.4**	**13,062.9**	**100.0**
Nigeria	4,937.6	769.9	5,707.5	50.98	6,096.2	958.3	7,054.5	54.00
South Africa	924.8	1,347.6	2,272.4	20.30	1,268.8	1,054.4	2,323.2	17.78
Ivory Coast	247.6	63.6	311.2	2.78	317.6	89.2	406.8	3.11
Ghana	155.0	133.1	288.1	2.57	214.1	145.5	359.6	2.75
Angola	264.0	34.9	298.9	2.67	309.7	38.4	348.1	2.66
Zaire	193.1	99.4	292.5	2.61	173.2	113.9	287.1	2.20
Uganda	106.7	6.3	113.0	1.01	247.8	14.2	262.0	2.01
Gabon	189.8	45.9	235.7	2.11	224.7	29.6	254.3	1.95
Liberia	98.7	84.6	183.3	1.64	107.3	90.9	198.2	1.52
Kenya	60.0	43.0	103.0	0.92	92.0	76.9	168.9	1.29
Zambia	161.0	48.4	209.4	1.87	104.5	48.6	153.1	1.17
Ethiopia	94.4	77.7	172.1	1.54	89.6	58.0	147.6	1.13
Tanzania	46.8	35.7	82.5	0.74	78.3	38.7	117.0	0.90
Sudan	24.2	105.7	129.9	1.16	19.0	87.1	106.1	0.81
Madagascar	59.5	5.8	65.3	0.58	78.8	7.3	86.1	0.66
Cameroon	23.9	40.2	64.1	0.57	32.4	53.6	86.0	0.66
Mozambique	40.5	13.4	53.9	0.48	66.3	12.9	79.2	0.61
Sierra Leone	50.1	11.5	61.6	0.55	63.2	13.9	77.1	0.59
Guinea	43.5	22.7	66.2	0.59	44.5	16.0	60.5	0.46
Botswana	53.7	3.3	57.0	0.51	49.9	2.1	52.0	0.40
Rhodesia	45.8	0.8	46.6	0.42	49.3	0.8	50.1	0.38
Congo	55.2	13.8	69.0	0.62	37.3	12.3	49.6	0.38
Senegal	3.8	41.3	45.1	0.40	1.9	36.3	38.2	0.29
Rwanda	53.4	2.4	55.8	0.50	33.5	3.6	37.1	0.28
Mauritius	18.0	8.0	26.0	0.23	21.0	9.0	30.0	0.23
Burundi	21.7	2.5	24.2	0.22	25.6	3.4	29.0	0.22
Niger	Negl	7.8	7.8	0.07	15.1	8.4	23.5	0.18
Togo	0.7	19.5	20.2	0.18	0.3	23.1	23.4	0.18
Namibia	5.1	12.4	17.5	0.16	6.0	17.1	23.1	0.18
Malawi	10.6	4.6	15.2	0.14	17.8	2.7	20.5	0.16
Mauritania	0.1	18.8	18.9	0.17	0.2	17.9	18.1	0.14
Swaziland	8.9	1.0	9.9	0.09	13.3	1.6	14.9	0.11
Benin	1.1	13.8	14.9	0.13	Negl	13.7	13.7	0.10
Upper Volta	1.4	10.6	12.0	0.11	0.7	12.4	13.1	0.10
Chad	0.3	3.0	3.3	0.03	0.2	8.2	8.4	0.06
Mali	0.2	1.9	2.1	0.02	0.2	6.8	7.0	0.05
Guinea-Bissau	1.9	3.8	5.7	0.05	1.2	5.7	6.9	0.05
Somalia	0.5	9.6	10.1	0.09	1.8	4.8	6.6	0.05
Gambia	0.3	3.4	3.7	0.03	0.3	5.7	6.0	0.04
Central African Empire	2.3	0.5	2.8	0.02	3.6	0.8	4.4	0.03
Reunion	6.4	1.2	7.6	0.07	3.5	0.8	4.3	0.03
Lesotho	0.1	4.6	4.7	0.04	0.2	3.7	3.9	0.03
Djibouti	0.9	4.7	5.6	0.05	0.4	2.6	3.0	0.02
Seychelles	0.5	0.6	1.1	0.01	0.2	0.5	0.7	0.01
Cape Verde	NA	NA	NA	NA	NA	NA	NA	NA
Comoro Islands	NA	NA	NA	NA	NA	NA	NA	NA
Equatorial Guinea	NA	NA	NA	NA	NA	NA	NA	NA
Sao Tome	NA	NA	NA	NA	NA	NA	NA	NA

[1] f.o.b.

Table 6

Sub-Saharan Africa: Trade Balances With the United States

Million US $

	1973	1977
Nigeria	4,167.7	5,137.9
South Africa	−422.8	214.4
Ivory Coast	184.0	228.4
Ghana	21.9	68.6
Angola	229.1	271.3
Zaire	93.7	59.3
Uganda	100.4	53.6
Gabon	143.9	[illegible]
Liberia	14.1	16.4
Kenya	17.0	15.1
Zambia	112.6	55.9
Ethiopia	16.7	31.6
Tanzania	11.1	39.6
Sudan	−81.5	−68.1
Cameroon	−16.3	−21.2
Madagascar	53.7	71.5
Mozambique	27.1	53.4
Sierra Leone	38.6	49.3
Guinea	20.8	28.5
Botswana	50.4	47.8
Rhodesia	45.0	48.5
Congo	41.4	25.0
Senegal	−37.5	−34.4
Rwanda	51.0	29.9
Mauritius	10.0	12.0
Burundi	19.2	22.2
Namibia	−7.3	−11.1
Niger	−7.8	6.7
Togo	−18.8	−22.8
Malawi	6.0	15.1
Mauritania	−18.7	−17.7
Swaziland	7.9	11.7
Benin	−12.7	−13.7
Upper Volta	−9.2	−11.7
Chad	−2.7	−8.0
Mali	−1.7	−6.6
Guinea-Bissau	−1.9	−4.5
Somalia	−9.1	−3.0
Gambia	−3.1	−5.4
Central African Empire	1.8	2.8
Reunion	5.2	2.7
Lesotho	−4.5	−3.5
Djibouti	−3.8	−2.2
Seychelles	−0.1	−0.3
Cape Verde	NA	NA
Comoro Islands	NA	NA
Equatorial Guinea	NA	NA
Sao Tome	NA	NA
Total	4,830.8	6,760.1

Table 7

Sub-Saharan Africa: Principal Sources of Western Mineral Supplies

South Africa	Platinum group, gold, vanadium, chromium, manganese, antimony, nickel, asbestos, copper, tin, iron ore, diamonds, uranium
Zaire	Cobalt, copper, diamonds, tin, manganese,[1] zinc[1]
Zambia	Cobalt, copper, zinc[1]
Gabon	Manganese, uranium, petroleum[1]
Ghana	Bauxite, manganese, gold,[1] diamonds[1]
Guinea	Bauxite, diamonds[1]
Liberia	Iron ore,[2] diamonds[1]
Namibia	Diamonds, uranium, tin
Angola	Iron ore,[2] diamonds,[1] petroleum[1]
Madagascar	Chromium, graphite
Mauritania	Iron ore
Rhodesia	Chrome, copper,[1] gold,[1] nickel[1]
Nigeria	Petroleum

[1] Accounts for less than 10 percent of US, European, or Japanese imports.

[2] Iron ore mines currently closed.

Table 8

Figure 5

Major Developed Countries:
Imports of Selected Crude Materials From Sub-Saharan Africa, 1977 [1]

Percent of Total Imports

	Belgium [2]	France	Japan	Netherlands	United Kingdom	United States	West Germany
xite and alumina concentrates	0	73.6	Negl	0	62.0	12.1	45.8
uinea		71.4			0.5	11.9	36.3
hana		0			56.7	0	0.5
erre Leone		0			4.8	0.2	9.0
ome ore and concentrates	46.8	47.9	41.9	83.9	57.9	39.2	51.7
outh Africa	38.8	23.4	28.7	83.9	53.4	39.2	45.4
adagascar	0	24.1	8.2	0	0	0	2.8
lozambique	8.0	0	5.0	0	4.5	0	2.3
ad in	0	0.4	0	0	0	0	1.2
n ore and concentrates	15.0	32.8	6.8	15.4	16.8	3.7	26.2
outh Africa	0.1	4.6	5.5	0	10.2	0.6	6.4
iberia	9.2	10.5	0.3	15.4	1.3	3.1	17.2
lauritania	5.7	17.7	0.5	0	5.3	0	2.4
nganese ore and concentrates	73.8	67.3	47.5	0	80.4	66.1	46.7
outh Africa	37.2	21.3	39.9		54.5	3.4	46.4
abon	8.5	44.7	4.2		8.3	60.0	0
hana	17.5	0.9	0.3		17.6	0	0.2
aire	4.6	0			0	2.6	0.1
ore and concentrates	99.1	0	0	40.6	4.5	Negl	28.8
outh Africa	0			40.1	4.2	Negl	25.3
aire	74.5			0.5	0	0	3.5
wanda	22.4			0	0	0	0
de Petroleum	6.0	9.0	0	16.7	2.1	19.0	10.3
igeria	5.5	7.5		16.6	2.0	17.7	9.8
abon	0	1.5		0	0	0.5	0.3
ngola	0.5	0		0.1	0.1	0.8	0.1
ustrial diamonds [3]	6.3	5.2	24.2	17.6	0	51.5	34.8
outh Africa	0.8	8.1	18.4	1.9		41.2	33.8
aire	0.2	0.1	4.1	8.0		7.6	0.6
ongo	1.0		0.4	1.8		0.9	0
hana	2.3		1.1	3.8		0.2	0.2

Direct imports on a value basis only, does not include reexports.
1976 data
Direct trade data do not accurately reflect country dependence on African diamond supplies because of DeBeers Consolidated Mines' ensive control over diamond markets worldwide. Sub-Saharan Africa produces 74 percent of the world's industrial diamonds and 80 cent of the world's gem diamonds. The USSR accounts for most remaining world output. The largest African industrial diamond producers Zaire (42 percent of world output), South Africa (13 percent), Ghana and Botswana (7 percent each). Among African gem diamond ducers, South Africa ranks first (27 percent of world output), followed by Namibia (12 percent), and Zaire (9 percent). The UK classifies all monds as gem diamonds.

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Table 9

Major Developed Countries:
Imports of Selected Intermediate Goods From Sub-Saharan Africa, 1977 [1]

	Percent of Total Imports						
	Belgium [2]	France	Japan	Netherlands	United Kingdom	United States	West Germany
Gem diamonds [3]	0.9	1.7	5.7	3.8	29.0	26.0	1.5
South Africa	5.6	1.7	1.8	2.9	24.2	22.8	1.5
Zaire	0.1	0	0	Negl	2.5	Negl	0
Sierre Leone	0	0	0	0.5	1.6	2.8	0
Ghana	Negl	0	3.8	0	0.3	Negl	0
Copper	68.1	14.5	61.3	2.4	25.0	12.6	21.3
South Africa	7.7	0.8	7.5	0	6.2	1.3	10.1
Zaire	55.5	2.6	5.8	1.0	0.5	0	0.6
Zambia	3.2	10.8	47.7	1.3	20.8	11.3	10.4
Ferromanganese	1.2	5.3	0	7.0	36.0	28.2	0
South Africa	1.2	5.3		7.0	36.0	26.0	
Gabon	0	0		0	0	2.2	
Ferrochrome and alloys	12.9	5.1	35.0	25.7	9.3	26.7	19.7
South Africa	11.5	5.1	35.0	25.0	9.3	17.0	19.6
Rhodesia	0	0	0	0	0	9.7	0
Nickel	5.5	7.6	18.5	17.4	0.6	4.7	10.9
South Africa	5.5	7.6	18.5	17.4	0.6	1.5	10.9
Rhodesia	0	0	0	0	0	3.2	0
Platinum group	0	17.3	40.6	3.2	73.5	61.7	9.7
South Africa		17.3	40.6	3.2	73.5	61.7	9.7

[1] Direct imports on a value basis only, does not include reexports.
[2] 1976 data.
[3] See footnote 2 on table A-2.

Table 10

Major Developed Countries:
Imports of Selected Agricultural Products From Sub-Saharan Africa, 1977 [1]

	Percent of Total Imports						
	Belgium [2]	France	Japan	Netherlands	United Kingdom	United States	West Germany
Coffee	7.5	60.2	25.7	31.8	54.6	20.5	26.3
Uganda	0.1	3.1	4.8	0.2	9.0	3.8	0.7
Ivory Coast	1.0	28.6	10.2	13.2	13.8	4.4	2.9
Zaire	2.0	8.6	0.2	0.5	0	2.1	2.3
Ethiopia	0.1	1.0	3.0	0.1	0.2	2.0	0
Tanzania	0.4	0.3	1.6	0.1	1.2	1.4	4.0
Kenya	1.4	1.4	0.9	9.6	20.7	1.3	10.1
Cocoa	24.5	74.6	64.1	68.9	77.8	29.8	56.6
Ivory Coast	14.2	40.2	1.5	12.6	8.0	13.3	18.4
Ghana	2.5	5.6	57.6	16.1	39.2	9.2	12.1
Nigeria	3.1	13.7	4.4	12.6	30.2	6.5	13.3
Cameroon	2.1	11.1	0.4	20.3	0.9	0.6	7.2
Sugar	4.3	42.3	15.2	4.4	34.7	8.3	1.3
South Africa	1.0	0.6	15.2	0.8	1.4	4.9	0.5
Mauritius	0.3	0.5	0	0.8	22.8	1.0	[illegible]
Mozambique	0.4	[illegible]	0	2.0	5.1	1.7	0.5
Reunion	0	41.6	0	0.2	4.6	0	0.1
Tea	12.8	5.2	1.8	26.8	37.8	20.7	5.5
Kenya	1.6	3.3	1.5	15.0	20.4	12.9	2.7
Malawi	1.4	[illegible]	0	3.8	6.1	4.7	0.7
Mozambique	0.1	[illegible]	0	6.1	4.4	1.9	1.2
Tanzania	5.3	0.1	0.3	1.8	4.4	0.6	0.3
Cloves	73.2	91.7	81.3	87.2	76.2	81.3	93.0
Tanzania	5.3	39.1	30.4	51.1	64.2	55.7	45.1
Madagascar	43.9	36.1	50.9	34.4	11.5	23.7	47.9
Comoro Islands	22.8	16.5	0	1.7	0	0	[illegible]
Vanilla	5.9	97.2	65.0	NA	10.1	85.8	94.8
Madagascar	1.7	81.6	65.0		8.8	80.0	89.1
Reunion	0	2.9	0		1.3	5.8	0
Comoro Islands	4.2	12.7	4.0		0	0	5.7
Wood (in the rough)	27.2	66.7	0.3	40.1	56.8	1.8	45.6
Ghana	1.0	0.6	Neg.	2.6	9.4	1.0	2.6
Ivory Coast	10.9	28.1	0	9.2	22.6	0.6	16.4
Cameroon	8.9	3.6	0.2	16.8	5.2	0.2	5.6
Gabon	1.0	26.7	Negl.	6.8	2.[illegible]	0	3.5
Liberia	2.0	4.1	0	4.2	12.8	0	5.1

[1] Direct imports on a value basis only; does not include reexports.
[2] 1976 data.

Figure 17

Sub-Saharan Africa: Net Book Value of US Direct Investment by Country, 1976

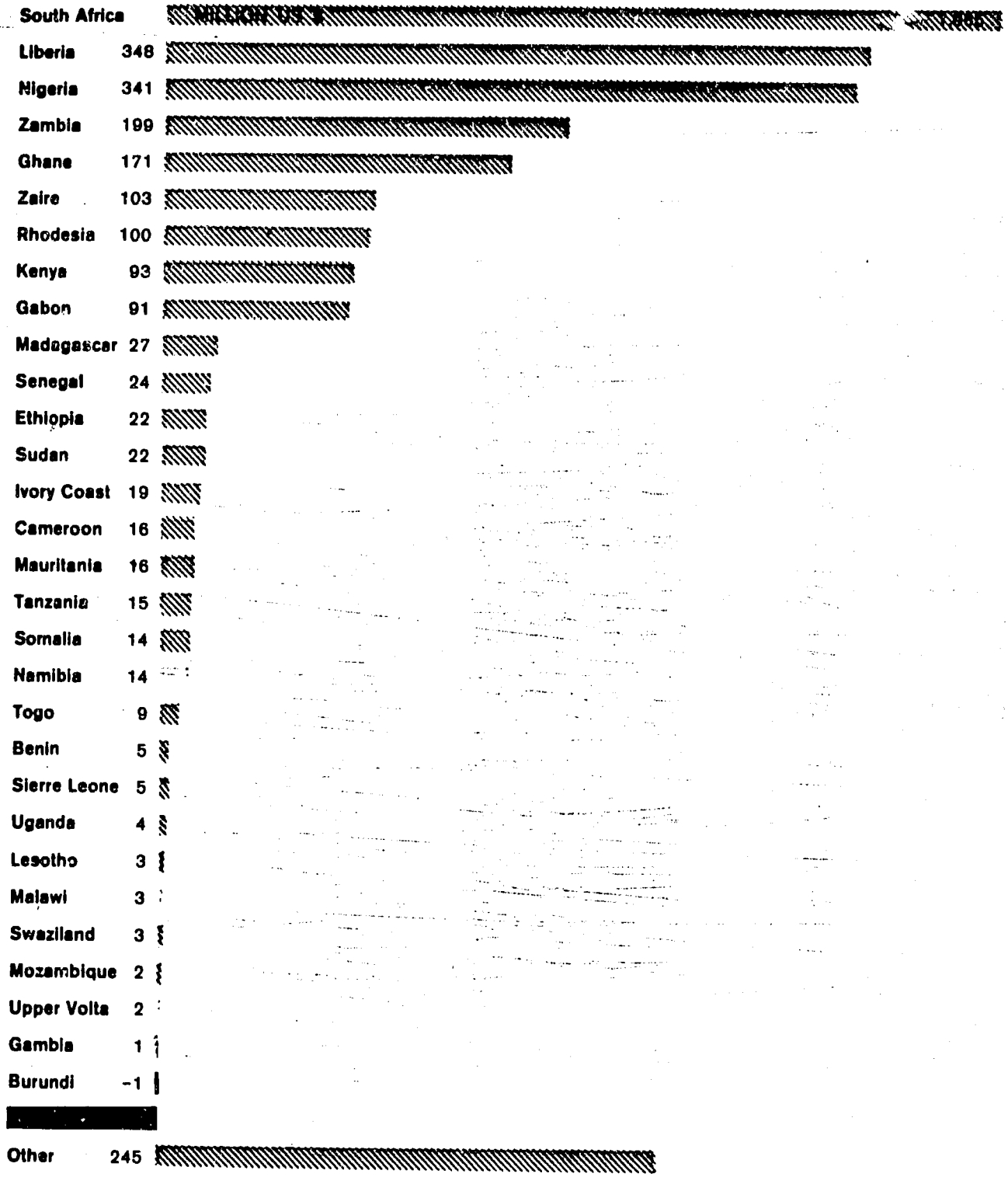

Table 11

Sub-Saharan Africa: Net Book Value of US Direct Investment by Economic Sector, 1976

Million US $

	Total	Mining and Smelting	Petroleum	Manufacturing	Other
Total of which:	3,506	803	1,115	951	637
South Africa	1,665	699		707	259
Liberia	348	NA	83	NA	195
Nigeria	341	NA	281	35	25

Table 12

Sub-Saharan Africa: Economic Aid From Multilateral Institutions

	1974		1975		1976		1974-76	
	Total (Million US $)	Per Capita (US $)	Total (Million US $)	Per Capita (US $)	Total (Million US $)	Per Capita (US $)	Total (Million US $)	Per Capita (US $)
Sub-Saharan Africa	921.1	3.0	1,290.9	4.0	1,212.4	3.7	3,424.4	3.6
Angola	0.1	Negl	0.8	0.1	7.1	1.2	8.0	1.3
Benin	16.2	5.4	24.1	7.8	24.6	7.7	64.9	20.9
Botswana	15.1	21.6	15.4	22.0	9.1	13.0	39.6	56.6
Burundi	15.4	4.1	23.2	6.1	19.9	5.1	58.5	15.3
Cameroon	27.5	4.4	66.3	10.4	53.4	8.2	147.2	23.0
Cape Verde	NA	NA	NA	NA	NA	NA	NA	NA
Central African Empire	18.3	10.8	23.7	13.2	12.6	7.0	54.6	31.0
Chad	31.6	8.1	33.2	8.3	17.7	4.3	82.5	20.7
Comoro Islands	0.2	0.7	4.1	13.7	13.6	45.3	17.9	59.7
Congo	17.6	17.6	18.7	14.4	25.6	18.3	61.9	50.3
Djibouti	0.7	7.0	0.3	3.0	0	0	1.0	10.0
Equatorial Guinea	NA	NA	NA	NA	NA	NA	NA	NA
Ethiopia	45.7	1.7	67.4	2.2	65.9	2.3	174.0	6.2
Gabon	0.3	0.6	5.9	11.8	4.3	7.2	10.5	19.6
Gambia	5.5	11.0	4.5	9.0	4.5	9.0	14.5	29.0
Ghana	13.8	1.4	20.0	2.0	30.0	2.9	63.8	6.3
Guinea	1.2	0.3	5.1	1.2	5.0	1.1	11.3	2.6
Guinea-Bissau	NA	NA	NA	NA	NA	NA	NA	NA
Ivory Coast	58.4	11.0	68.8	12.5	52.7	7.6	179.9	31.1
Kenya	54.7	4.2	97.0	7.3	107.4	7.7	259.1	19.2
Lesotho	9.7	9.7	14.0	14.0	12.0	10.9	35.7	34.6
Liberia	11.0	6.5	14.9	8.3	14.8	9.9	40.7	24.7
Madagascar	31.9	4.3	63.4	8.6	36.1	4.7	131.4	17.6
Malawi	11.5	2.3	17.1	3.4	20.0	3.8	48.6	9.5
Mali	47.7	8.7	63.2	11.3	32.6	5.7	143.5	25.7
Mauritania	17.0	13.0	3.1	2.4	24.0	17.1	44.1	32.5
Mauritius	11.5	12.8	17.3	19.2	9.9	11.0	38.7	43.0
Mozambique	0.1	Negl	8.0	0.9	35.7	3.9	43.8	4.8
Namibia	NA	NA	NA	NA	NA	NA	NA	NA
Niger	56.5	12.8	46.7	10.2	45.2	9.6	148.4	32.6
Nigeria	49.8	0.8	43.2	0.7	46.2	0.7	139.2	2.2
Reunion	4.2	8.4	8.7	17.4	6.9	13.8	19.8	39.6
Rhodesia	−4.5	−0.7	−4.6	−0.7	−4.2	−0.6	−13.3	−2.0
Rwanda	15.1	3.7	29.1	6.9	22.2	5.2	66.4	15.8
Sao Tome	NA	NA	NA	NA	NA	NA	NA	NA
Senegal	43.5	10.4	56.5	13.1	42.2	9.6	142.2	33.1
Seychelles	0.1	1.7	0.2	3.3	0.5	8.3	0.8	13.3
Sierre Leone	9.2	3.4	12.2	4.5	8.7	3.1	30.1	11.0
Somalia	33.5	10.8	51.5	16.1	51.6	16.1	136.6	43.0
South Africa	NA	NA	NA	NA	NA	NA	NA	NA
Sudan	59.7	3.5	63.7	3.6	79.2	4.4	202.6	11.5
Swaziland	5.7	11.4	10.5	21.0	10.6	21.2	38.3	53.6
Tanzania	30.4	2.1	107.4	7.1	66.7	4.3	204.5	13.5
Togo	14.9	6.8	16.3	7.4	20.6	9.0	51.8	23.2
Uganda	10.3	0.9	15.1	1.3	13.2	1.1	38.6	3.3
Upper Volta	43.9	7.6	35.7	6.0	23.9	3.9	103.5	17.5
Zaire	30.3	1.3	60.0	2.4	63.8	2.5	154.1	6.2
Zambia	55.8	11.6	64.2	13.1	76.6	15.3	196.6	40.0

Table 13

Sub-Saharan Africa: Net Disbursements of Official Funds

Million US $

	1974	1975	1976	1974-76
Total	3,039	3,976	4,387	11,402
United States	234	261	238	733
France	648	806	821	2,275
Other industrial	861	1,234	1,350	3,445
of which:				
West Germany	181	163	305	649
Canada	137	222	175	534
Belgium	140	175	165	480
United Kingdom	121	131	152	404
Sweden	76	129	135	340
OPEC Arab	195	214	511	920
Communist	180	170	255	605
of which:				
China	130	109	184	423
Soviet Union	43	39	31	113
Eastern Europe	7	22	40	69
Multilateral	921	1,291	1,212	3,424

Table 14

Sub-Saharan Africa: Net Bilateral Economic Aid From the United States [1]

	1974		1975		1976		1974-76	
	Total (Million US $)	Per Capita (US $)	Total (Million US $)	Per Capita (US $)	Total (Million US $)	Per Capita (US $)	Total (Million US $)	Per Capita (US $)
Sub-Saharan Africa	234.0	0.8	261.0	0.8	238.0	0.7	733.0	0.8
Angola	−1.0	−0.2	0	0	−1.0	−0.2	−2.0	−0.4
Benin	3.0	1.0	2.0	0.6	6.0	1.9	11.0	3.5
Botswana	4.0	6.0	5.0	7.3	6.0	8.7	15.0	22.0
Burundi	Negl	Negl	1.0	0.3	1.0	0.3	2.0	0.6
Cameroon	1.0	0.2	5.0	0.8	4.0	0.6	10.0	1.6
Cape Verde	0	0	0	0	3.0	10.0	3.0	10.0
Central African Empire	Negl	Negl	1.0	0.6	Negl	Negl	1.0	0.6
Chad	6.0	1.5	4.0	1.0	5.0	1.2	15.0	3.7
Comoro Islands	0	0	0	0	0	0	0	0
Congo	0	0	0	0	0	0	0	0
Djibouti	0	0	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0	0	0
Ethiopia	26.0	1.0	24.0	0.9	29.0	1.0	79.0	2.9
Gabon	3.0	5.6	3.0	5.5	6.0	10.9	12.0	22.0
Gambia	1.0	2.0	Negl	Negl	1.0	1.9	2.0	3.9
Ghana	−1.0	−0.1	4.0	0.4	13.0	1.3	16.0	1.6
Guinea	5.0	1.2	8.0	1.8	8.0	1.8	21.0	4.8
Guinea-Bissau	0	0	0	0	1.0	2.0	1.0	2.0
Ivory Coast	3.0	0.6	0	0	1.0	0.1	4.0	0.7
Kenya	10.0	0.8	7.0	0.5	11.0	0.8	28.0	2.1
Lesotho	3.0	3.0	2.0	2.0	4.0	3.6	9.0	8.6
Liberia	−2.0	−1.2	−2.0	−1.1	13.0	8.7	9.0	6.4
Madagascar	Negl	Negl	2.0	0.3	1.0	0.1	3.0	0.4
Malawi	4.0	0.8	4.0	0.8	5.0	1.0	13.0	2.6
Mali	17.0	3.1	10.0	1.8	5.0	0.9	32.0	5.8
Mauritania	9.0	6.9	3.0	2.3	7.0	5.0	19.0	14.2
Mauritius	3.0	3.3	1.0	1.1	Negl	Negl	4.0	4.4
Mozambique	0	0	0	0	10.0	1.1	10.0	1.1
Namibia	0	0	0	0	0	0	0	0
Niger	21.0	4.8	9.0	2.0	9.0	1.9	39.0	8.7
Nigeria	8.0	0.1	6.0	0.1	3.0	0.1	17.0	0.3
Reunion	0	0	0	0	0	0	0	0
Rhodesia	0	0	0	0	0	0	0	0
Rwanda	1.0	0.2	3.0	0.7	2.0	0.5	6.0	1.4
Sao Tome	0	0	0	0	0	0	0	0
Senegal	6.0	1.4	8.0	1.9	7.0	1.6	21.0	4.9
Seychelles	Negl	Negl	Negl	Negl	Negl	Negl	Negl	Negl
Sierra Leone	3.0	1.1	4.0	1.5	3.0	1.1	10.0	3.7
Somalia	Negl	Negl	5.0	1.6	2.0	0.6	7.0	2.2
South Africa	0	0	0	0	0	0	0	0
Sudan	7.0	0.4	4.0	0.2	−5.0	−0.3	6.0	0.3
Swaziland	1.0	2.1	1.0	2.0	1.0	2.0	3.0	6.1
Tanzania	10.0	0.7	33.0	2.2	33.0	2.1	76.0	5.0
Togo	3.0	1.4	2.0	0.9	2.0	0.9	7.0	3.2
Uganda	1.0	0.1	Negl	Negl	Negl	Negl	1.0	0.1
Upper Volta	7.0	1.2	5.0	0.8	8.0	1.3	20.0	3.3
Zaire	63.0	2.6	92.0	3.7	27.0	1.1	182.0	7.4
Zambia	9.0	1.9	5.0	1.0	7.0	1.4	21.0	4.3

[1] ODA and OOF