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NIGER

Current Macroeconomic Situation and Constraints

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I. MACROECONOMIC PERFORMANCE

The course of economic development in Niger since 1975 has been determined by four major macroeconomic factors, two domestic and two external:

- domestic agricultural and rural production;
- domestic government activities and policies;
- international uranium markets; and
- foreign assistance and international capital flows.

Niger's economic growth performance since the Sahelian drought of the early 1970s has been volatile (Figure 1). The growth of Gross Domestic Product (GDP) ranged from an annual average rate of 9 percent during the second half of the 1970s to a negative rate of 1 percent during the 1981-1983 period.^{1/} In 1984, the severe drought reduced real GDP by 16 percent. Preliminary estimates of GDP for 1985 show a growth rate of almost 7 percent as agricultural production recovered from the 1984 drought.

A. Growth Period, 1976-1980

The 1976-1980 period was characterized by extraordinary growth performance. All of the above-mentioned factors are favorable for economic growth. Adequate rainfalls contributed to a steady increase of cereal production (millet and sorghum), cowpeas, and groundnuts. Aided by a government-supported herd reconstitution program after the drought, livestock production also increased. The rural sector grew at an average of 6 percent during this period.

Following the 1973 oil crisis, rising demand for nuclear energy contributed to increases in uranium demand and price. World uranium prices increased more than four-fold. The Nigerien uranium export price tripled (from less than 8,000 CFA francs/kg. in 1975 to almost 24,000 CFA francs/kg. in 1980). With the opening of the second uranium mine in 1978, uranium production increased from less than 1,500 tons in 1976 to slightly more than 4,000 tons in 1980.

The uranium boom provided budgetary resources and foreign exchange (more than 70 percent of export earnings) for substantial increases in public investment spending. The government undertook an ambitious five-year development program (1979-1983). Government spending and the public sector expanded rapidly. Capital expenditures more than doubled between 1979 and 1980. Gross fixed capital formation grew from 43 billion CFA francs in 1976 to 136 billion CFA francs. This largely reflected a relatively high concentration of spending in infrastructure. The value added of construction and public works in the national product account increased by more than six-fold (from 5 billion CFA francs in 1975 to 32 billion CFA francs in 1980).

International capital flows, together with foreign assistance, also contributed to the rapid growth during this period. They helped finance a sizeable portion of the 1979-1983 public investment program. Total net flows of

^{1/} All growth rates are expressed in real terms--i.e., after adjusted for inflation. The implicit GDP deflator is used as a proxy for the rate of inflation.

foreign capital grew from \$65 million in 1978 to \$154 million in 1980 (with the foreign assistance portion, both multilateral as well as bilateral, increased from \$46 million to \$88 million during the same period). The increased private capital flows, however, were largely in the form of debt instead of equity, with an increasing portion having non-concessional terms.

B. The 1982/1983 Crisis

The favorable uranium situation proved to be short-lived. The rapid economic growth of the 1976-1980 period ended abruptly in 1981 with a drastic drop in uranium demand and price. World spot market prices fell by an annual average of 24 percent between 1979 and 1982. Niger's contract price fell from 24,500 CFA in 1980 to 20,000 CFA in 1981. Although the prices for 1982 and 1983 were raised to 24,000 CFA and 27,500 CFA respectively, the depreciation of the CFA franc kept the 1982 and 1983 dollar prices relatively unchanged at \$73 per kg. Nonetheless, these prices were higher than spot market prices which were in the neighborhood of \$45-50.

The decline in the uranium price in 1981, together with the depreciation of the CFA franc, contributed to a fall of more than 20 percent in the export price index, whereas the import price index increased modestly. Consequently, Niger's terms of trade deteriorated by more than 25 percent between 1980 and 1982.

Uranium production decreased from more than 4,300 tons in 1981 to 3,400 tons in 1983. Uranium export earnings were reduced by 9 billion CFA francs from 100.8 billion CFA francs in 1980 to 91.5 billion CFA francs in 1982. The depressed demand for uranium also affected other economic activity which had a backward linkage with mining such as construction and transport. The value added of the construction sector decreased by an annual average of 20 percent in real terms during this period. Finally, the growth of the rural sector slowed down to approximately 1 percent. The GDP during 1981-1983 showed a negative growth rate of 1.3 percent.

While the unanticipated changes in the uranium situation were a major factor leading to the poor economic performance, past government policies and activities also contributed to the 1982/1983 crisis. The latter included, in particular, its over-acceleration of public capital spending beyond the level which could be sustained by available resources and the practice of prefinancing projects in anticipation of exceptional foreign assistance which did not materialize. These resulted in large extrabudgetary capital expenditures and deficits. During the 1981-1983 period they amounted to 7-11 percent of GDP. The current account deficit was almost 50 billion CFA francs and the overall balance of payments deficit was 42 billion CFA francs (7 percent of GDP).

Because of the rigidities involved in lowering capital outlays and the government's reluctance to cut current spending, the problems of budget and balance of payments deficits were postponed by resorting to draw down of official reserves and foreign borrowing with increasing short maturities and on commercial terms. Foreign assistance during this period was also at a low level (fallen from disbursements of \$160 million in 1981 to \$92 million in 1983). When the export situation did not improve at a rate compatible with the need for

debt servicing and external capital flows from private sources declined (from \$124 million in 1981 to \$35 million in 1983), the liquidity crisis was set in motion.

C. Stabilization and Adjustment Efforts, 1983-Present

Prior to 1983, the economic and financial difficulties were considered essentially of a short-term nature which could be overcome through temporary financing without the necessary adjustment in the country's spending pattern and economic policies. However, the difficulties in servicing the country's external debt and the emerging liquidity crisis in 1983 compelled the Nigerian authorities to initiate an adjustment process in addition to the immediate stabilization requirement.

To date, major resources channeled into support of the stabilization and adjustment efforts include: balance of payments assistance under the IMF Compensatory Financing Facility (CFF) and stand-by arrangements; French exceptional budgetary assistance; A.I.D. non-project sector assistance in support of local currency counterparts; and debt relief from the Paris and London Clubs. With the exception of the French exceptional aid, these resources are intended to facilitate necessary policy and structural changes while averting the country's immediate financial crisis. The IMF assistance is currently in the third year and the World Bank will begin its three-year Structural Adjustment Credit (SAC) program in 1986. The SAC will combine current stabilization effort with structural changes in the economy together with other sectoral reform programs.

D. Special Factors in 1984/1985

The stabilization and adjustment efforts were complicated by three events which affected the country's economic performance in 1984/85. Two of these factors were not predicted; one was anticipated but beyond the control of the country. These events are: the 1984 drought; the closure of the Nigerian border since April 1984; and the strong U.S. dollar and high interest rates.

The Drought

The direct effect of the drought on the rural sector alone accounted for 11 of the 16 percent reduction of real GDP in 1984. It caused dissavings in the subsistence economy by depleting grain reserves and decreasing herd size. Capital formation, particularly in the form of livestock, was reduced by losses due to death and premature destocking of animals. The impact of the drought on livestock is more serious on future potential than current output. The drought also aggravated the country's income distribution, both between the rural sector and the modern sector as well as within the rural economy. The income distribution effect was especially pronounced for the livestock subsector whose terms of trade (livestock vis-à-vis grain) were worsened. According to available estimates, the drought lowered rural income by more than 50 billion CFA francs.

In addition to its direct effect on the rural economy, the drought had implications on the Niger financial and adjustment program through its effects on the balance of payments and government finance. Table 2 below provides estimates of major macroeconomic effects attributable to the

TABLE 1

NIGER: Selected Indicators of Macroeconomic Developments, 1978-1985

	1978	1979	1980	1981	1982	1983	1984	1985
National income and prices:								
GDP growth rate (annual % change)	7.2	14.7	6.3	-0.9	-0.8	-2.6	-16.1	6.6
GDP deflator (annual % change)	16.0	7.6	13.8	11.0	9.8	7.8	8.7	7.5
Gross fixed investment (% of GDP)	25.3	25.5	25.5	22.0	18.7	13.5	13.3	14.9
Resource gap (% of GDP)	-14.8	-11.3	-12.3	-12.9	-11.7	-6.3	-5.3	-10.2
Trade and payments:								
Exports (millions of U.S. dollars)	290.7	487.1	578.2	486.7	370.5	376.8	326.1	294.7
Imports (millions of U.S. dollars)	410.0	628.5	794.1	662.8	520.4	424.3	340.5	411.9
Terms of Trade (1980 = 100)	88.2	97.5	100.0	75.2	73.3	76.1	72.8	....
Uranium export price index (1980 = 100, on dollar basis)	89.9	99.1	100.0	63.5	63.0	62.3	57.7	60.6
Current account deficit (millions of U.S. dollars)	200.8	189.0	289.2	181.8	163.7	71.6	47.6	80.0
(percent of GDP)	12.6	9.1	11.4	8.4	8.4	4.0	3.4	4.8
Overall balance (- deficit) (percent of GDP)	-0.7	-0.7	-2.8	0.3	-7.2	-1.1	-0.6	-3.7
Gross official foreign reserves (weeks of imports)	13.7	8.5	6.7	6.6	2.2	5.2	10.9	....
Nominal exchange rate (CFAF/%)	225.6	212.7	211.3	271.7	328.6	381.1	437.0	420.0
Effective exchange rate index (1980)	96.8	99.0	100.0	104.8	103.2	89.9	88.9	....
Public Finance:								
Domestic revenue (% of GDP)	12.8	13.5	13.7	12.7	11.5	10.2	11.4	9.6
Expenditure (% of GDP)	16.5	16.7	19.7	23.6	19.5	17.4	16.4	14.4
Current (% of GDP)	8.8	8.5	8.5	8.6	8.9	8.2	10.6	10.0
Development (% of GDP)	7.7	8.2	8.6	11.9	5.9	8.7	5.3	4.3
Budget deficit (% of GDP)	3.8	3.2	6.1	10.8	7.0	7.2	5.1	4.7
Money and credit:								
Money (M2) supply growth		19.0	20.8	20.6	-11.7	-1.1	22.5	9.5
Domestic credit growth		35.6	43.3	20.2	28.0	-1.1		
Interest rate (end of period) (central bank discount, overnight)	7.25	8.00	10.06	14.56	13.31	12.31	11.00	10.87
Public and Publicly-guaranteed Debt:								
Outstanding & disbursed (% of GDP)	7.4	9.5	10.4	18.4	30.9	35.5	49.3	47.1
Debt service (% of exports)								
before debt relief	3.2	2.7	6.7	13.0	30.0	22.2	31.0	32.9
after debt relief	3.2	2.7	6.7	13.0	30.0	17.0	16.3	18.3
Debt service (% of gov. revenue)								
before debt relief	4.6	4.7	11.2	22.8	49.5	46.3	63.1	59.9
after debt relief	4.6	4.7	11.2	22.8	49.5	35.5	33.3	33.4
Interest payments (% of exports)								
before debt relief	1.3	1.4	2.8	6.9	12.0	10.9	18.9	13.9
after debt relief	1.3	1.4	2.8	6.9	12.0	10.8	11.8	12.1
Interest payments (% of gov. revenue)								
before debt relief	1.9	2.4	4.6	12.2	19.8	22.8	38.5	25.4
after debt relief	1.9	2.4	4.6	12.2	19.8	22.5	24.0	22.0

TABLE 2

WIBER: ESTIMATES OF ECONOMIC AND FINANCIAL EFFECTS OF 1984 DROUGHT

Key Macroeconomic Indicators	Estimates for 1984			
	1983	without drought	with drought	Net Effects of drought*
(in billions of CFHF unless otherwise specified)				
Gross Domestic Product at current market prices	674.6	693.5	615.4	-78.1
Gross Domestic Product at constant 1976 prices	313.0	301.1	262.7	-38.4
Nominal GDP Growth Rate (in %)	5.0	2.9	-6.8	....
Real GDP Growth Rate (in %)		-3.8	-10.1	....
Implicit GDP Deflator Growth Rate (in %)	7.8	7.0	6.7	1.7
Value Added in Informal Sector	474.4	460.4	423.7	-56.7
of which: Agriculture	(159.7)	(172.5)	(153.1)	-19.4
Livestock	(128.0)	(119.3)	(92.7)	-26.6
Estimates for 1985**				
Key Macroeconomic Indicators	1984	without drought	with drought	Net Effects of drought
Balance of Payments:				
Exports, of which	135.3	144.7	124.6	-20.1
Livestock (recorded)	(19.6)	(20.6)	(12.6)	-8.0
Compass	(4.1)	(4.7)	(2.0)	-2.7
Imports, of which	146.8	155.1	173.0	17.5
Commercial Cereals Imports	(19.4)	(21.5)	(31.4)	9.5
Official Transfers	40.0	45.0	67.6	21.6
Current Account Deficit, excluding Official Transfers	66.8	67.3	101.2	33.9
Overall Deficit	4.0	17.3	25.8	8.5
Government Finance:				
Budget Deficit (const. basis)	31.2	31.9	33.4	1.5
Government Revenue	70.0	68.8	68.0	-0.8
Government Expenditure	101.2	100.7	101.4	0.7

(Notes: *To the extent possible, the estimates are net of other factors which also influence these indicators. The net effects are defined as the differences between the estimated actual 1984 indicators and those which would have been in the absence of drought.

**The effects of drought on the real side of the economy were accounted in 1984. Its effects on the balance of payments and government finance, however, show up

FIGURE 1

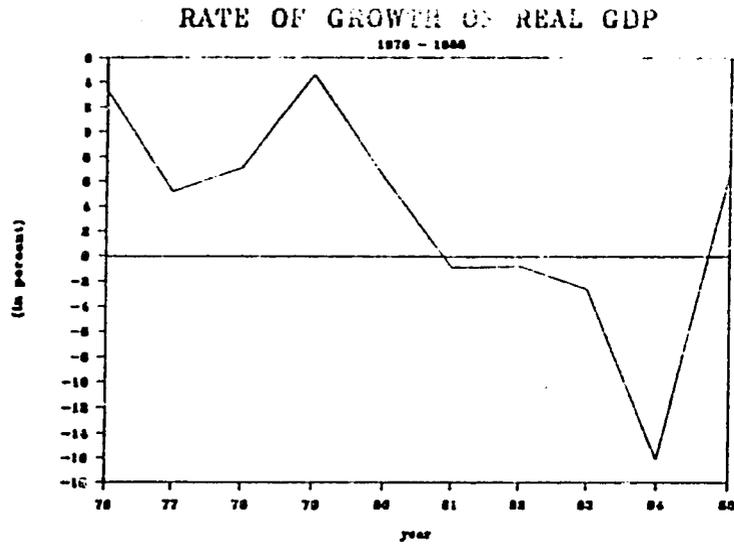


FIGURE 3A

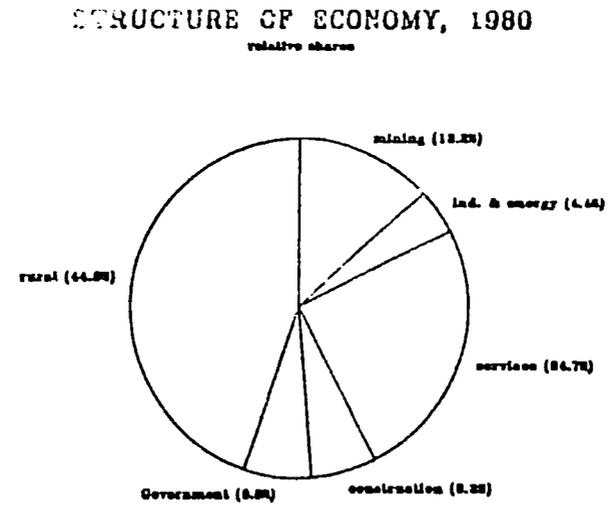


FIGURE 2

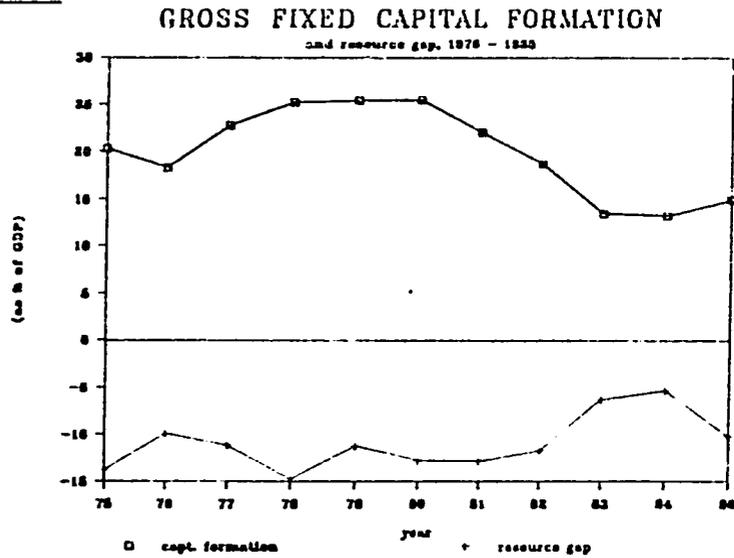
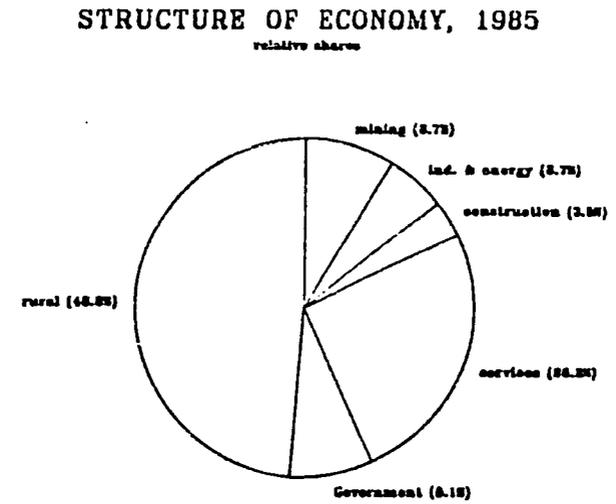


FIGURE 3B



d

FIGURE 4A

INDICES OF URANIUM PRICE, 1975 - 1985

(in current CFA francs)

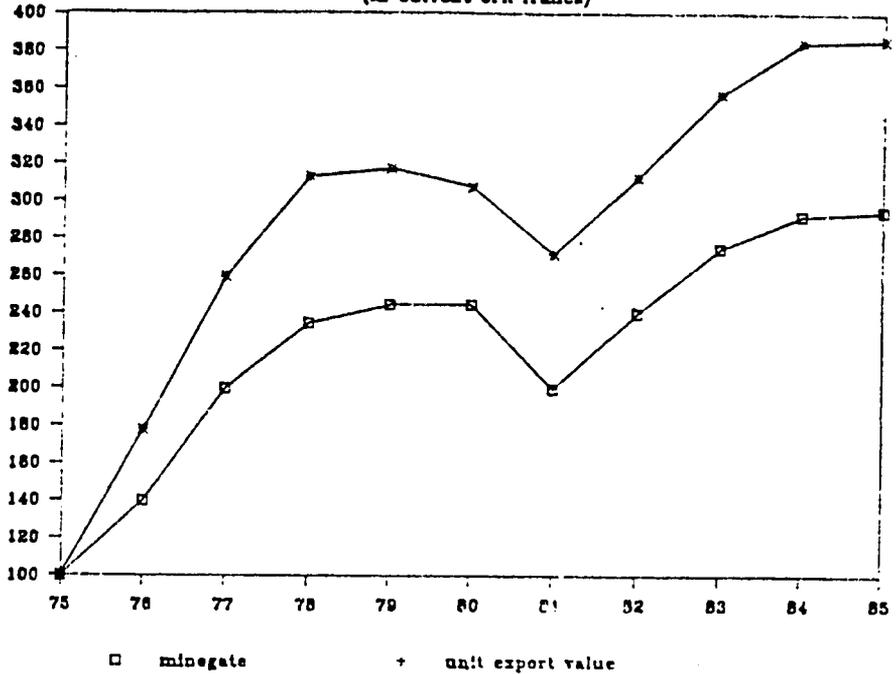


FIGURE 4B

INDICES OF URANIUM UNIT EXPORT VALUE

(CFAF price and U.S. dollar price)

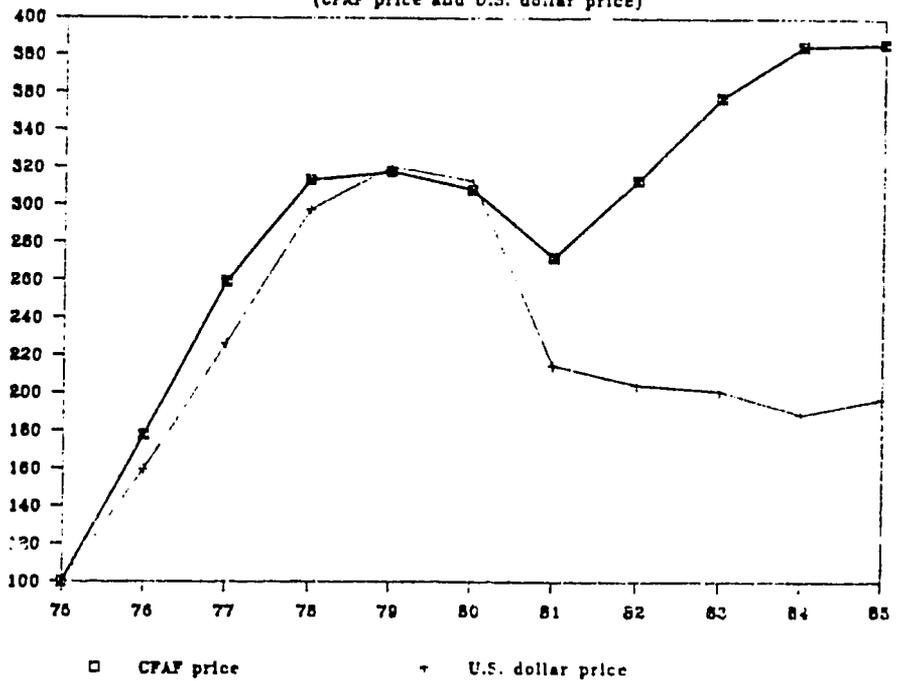


FIGURE 5A

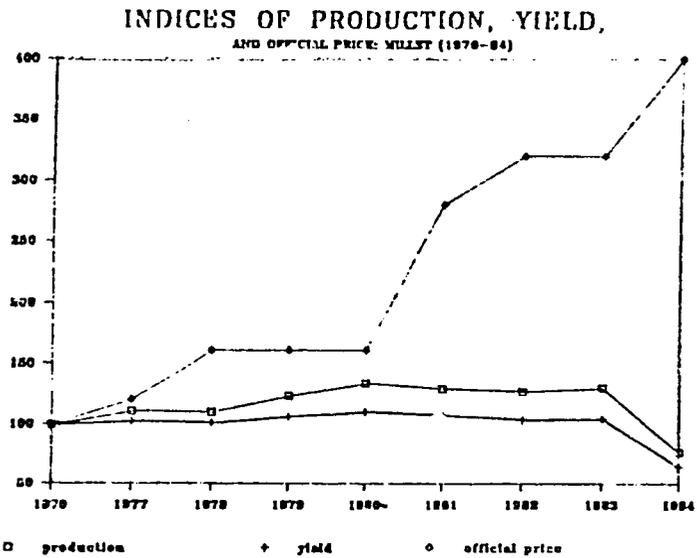


FIGURE 5C

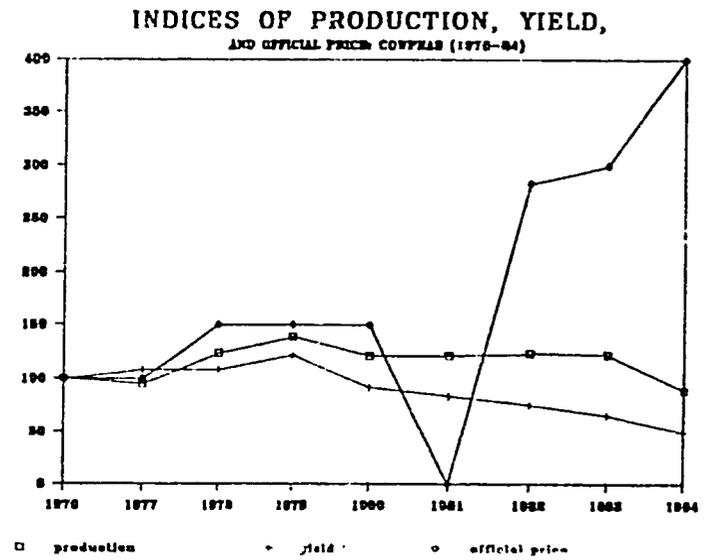


FIGURE 5E

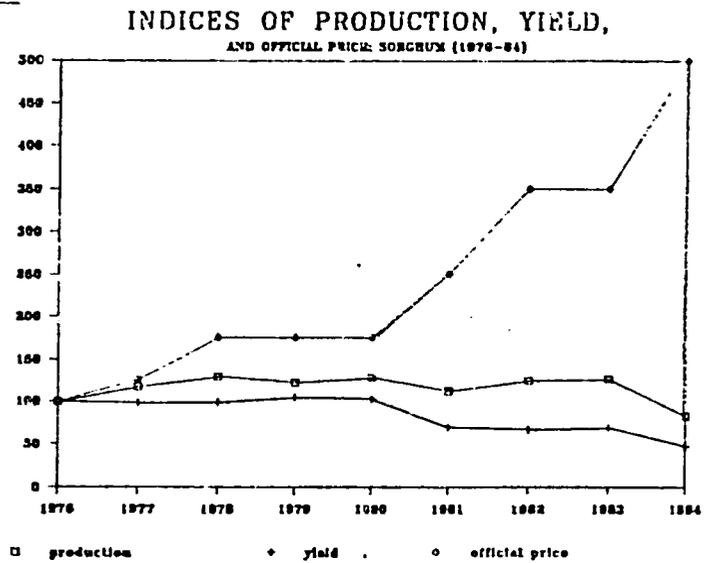
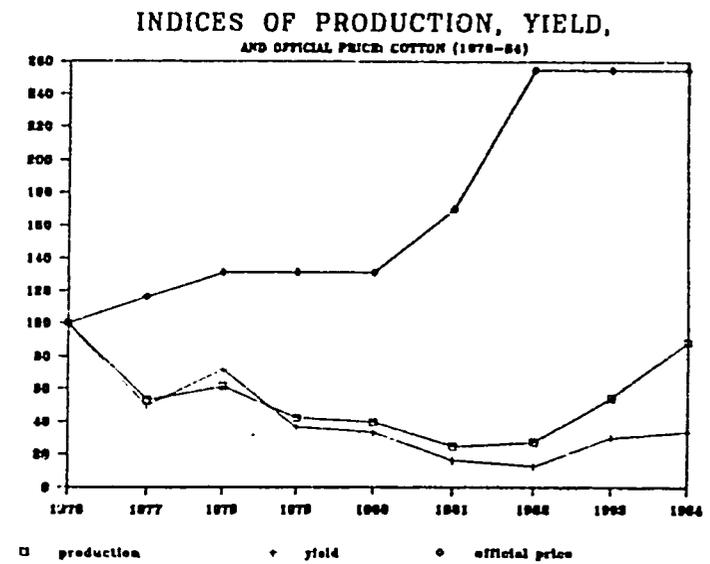


FIGURE 5D



1984 drought.^{1/} The drought contributed to a larger balance of payments deficit (8.5 billion CFA francs larger). This was due to a combination of reduced exports (livestock and cowpeas) and increased cereal imports. Its impact on the balance of payments would have been much larger (an estimated 34 billion CFA francs instead of 8.5 billion CFA francs) if it were not for much larger official transfers in the form of food aid.

With respect to government revenue, the direct effect of the drought was on the local government revenue which represents only a small portion of total government revenue (less than 5 percent). Because of the subsistence nature and relatively low tax rates, the revenue effect from the drought was insignificant. On the expenditure side (excluding spending directly related to food aid distribution which was financed by grants from donors), it was estimated that the drought had increased government spending by 0.7 billion CFA francs. The drought was estimated to contribute to a larger budget deficit by 1.5 billion CFA francs. This was due to the inability of the Grain Marketing Agency to make previously scheduled repayments to the Treasury and thus reduced government receipts.

Border Closure and Interest Rates

Niger also faced the closure of the Nigerian border and currency depreciation and high interest rates due to the strong U.S. dollar in 1984 and 1985. The border closure created inconveniences for trade and officially foreclosed the most important market for Nigerien agricultural and livestock exports. However, casual observations seem to indicate that the economic effect of the border closure is substantially offset by a strong economic incentive for trade created by the serious exchange rate distortion between the Naira (Nigerian currency) and the CFA franc.^{2/} No estimates of the effect of the border closure on trade flows are available. Its effect on customs receipts was estimated at 0.5-1.0 billion CFA francs.

The strong U.S. dollar and high interest rates raise the interest payments on debt since a sizeable portion of Niger's debt is denominated in U.S. dollars. It was estimated that as much as 1.4 billion CFA francs of the larger fiscal 1985 budget deficit (3.5 billion CFA francs larger than originally foreseen) may have been due to currency depreciation and high interest rates. The depreciation of the CFA franc also affected Niger's foreign exchange earnings because its uranium price is set in CFA francs. In 1985 the reduction of uranium earnings due to the currency depreciation was estimated at approximately \$15-20 million.

Tables 1, and A.1 through A.9 together with Figures 1 through 5D provide a summary of key indicators of Niger's recent macroeconomic and sectoral developments.

E. Near-Term Outlook

Table 3 below summarizes the projections for GDP over the next three years (1986-88). The projections are based on recent historical trends with

^{1/} The balance of payments and government finance effects were also influenced by the Nigerian border closure and the strong dollar cum high interest.

^{2/} The official rate fluctuates from 545-600 CFAF/Naira, while the parallel market rate is between 110-150 CFAF/Naira.

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TABLE 3

PROJECTIONS OF GROSS DOMESTIC
PRODUCTS, 1986-88
(current billions of CFA francs)

	1985	P r o j e c t i o n s			Average annual rate of change	
		1986	1987	1988	1986-88	1981-88
Rural Sector	332.1	364.4	386.3	408.5	6.9%	5.2%
Agriculture	297.5	232.4	251.0	269.8	8.8%	9.0%
Livestock	109.0	106.0	108.0	110.0	3.2%	-1.0%
Forestry & Fishing	24.6	26.0	27.3	28.5	4.9%	4.9%
Mining	59.3	58.5	60.0	62.0	1.5%	3.3%
Industry and Energy	38.5	40.8	44.1	47.6	7.1%	8.9%
Construction & Public Works	23.7	25.6	27.6	29.9	7.7%	-2.9%
Commerce, Transport, & Services	171.6	180.8	193.5	209.0	6.6%	3.8%
Commerce	75.4	83.4	89.2	96.8	6.6%	3.5%
Transport	30.5	32.0	34.3	36.7	6.1%	5.7%
Services	61.7	65.4	70.0	75.6	6.8%	3.2%
Government	54.9	57.0	62.0	67.0	6.6%	6.2%
GDP at factor cost	680.1	727.1	773.5	823.8	6.4%	4.8%
Import taxes & Duties	25.0	28.0	32.5	35.0	9.3%	-2.7%
GDP at current market prices	705.1	755.1	806.0	858.8	6.5%	4.5%
Implicit GDP deflator (1976=100)	251.9	269.5	287.1	304.3	6.3%	8.1%
GDP at constant 1976 prices	280.0	280.2	280.8	281.6	0.2%	-3.6%

appropriate considerations given to recovery prospects of key sectors in the economy, notably the rural and mining sectors, and the direction of the new public investment program. In general, the prospects for economic recovery during the next three years are modest, at best. Gross domestic products at current market prices are expected to grow at an average annual rate of 6.5 percent. With the implicit GDP deflator growing at slightly above 6 percent, the rate of growth of real GDP is projected to be less than 0.5 percent over the period. In comparing to the 1981-85 trends, which show an average annual growth rate of negative 3.6 percent, this is not an insignificant recovery.

The value added contributions of all sectors (except mining, industry, and government) are expected to grow faster than the recent trends. The rural sector, especially livestock which is anticipated to recover from the 1984 drought during this period, is projected to grow on the average more than 1.5 percentage points above its trend. The value added of construction and public works is projected to recover from the negative trend to almost an 8 percent growth per year. The dim projections of the mining sector reflect no increase in uranium production; the increased value added will come from slight increases in contract prices. The growth of industry is expected to be below its trend by 2 percent. Moreover, the sector is dominated by state-owned enterprises some of which are under privatization. No significant increases in private investment and increased production are expected during 1986-88.

II. MACROECONOMIC POLICIES AND REFORM MEASURES

Niger's adjustment and recovery efforts comprise, on the one hand, an economic reform program in the areas of fiscal, monetary, balance of payments, and external debt policies aimed at addressing the internal and external financial imbalances; on the other hand, they also incorporate measures which attempt to bring about structural changes in the economy as well as improved economic management. The latter includes four major reform areas: improving public resource allocation and management; improving the operations of state-owned enterprises and privatization effort; agricultural policy changes; and pricing and marketing policies.

A. Macroeconomic Policies

Niger has successfully carried out two IMF-sponsored austerity programs since 1983 under the stand-by arrangements and currently has an active third IMF stand-by program. The normal demand-oriented fiscal and monetary policies and import reduction were adopted.

Fiscal Policy

Since mid-1983 the Nigerien authorities have been pursuing policies to reduce the budget deficit through reduction in capital (development) outlays and restraint in current expenditures. Total government spending has remained unchanged during fiscal 1984 and 1985 at about 14 percent below the 1983 level. In addition to cuts in capital spending, there were reductions in current expenditures on scholarships, subsidies, and transfers to public enterprises or other public entities. The budget deficit was reduced from almost 11 percent of GDP in 1981 to 4.7 percent of GDP in 1985. There were also reductions of previously accumulated arrears (in 1985 by 4.1 billion CFA

francs). The 1986 budget shows an increase in total government spending by 4 percent, mostly reflecting an increase in anticipated development expenditure and a modest increase in personnel spending (6 percent).

The above austerity measures are accompanied by efforts to improve tax collection and administration in order to expand the country's public revenue base. A tax reform program was put into effect in fiscal 1984 following a comprehensive tax study by the IMF in 1982. The tax reform encompasses a number of revenue-increasing measures. Major tax reform areas are:

- a) strengthening tax administration and collection including prior approval by Minister of Finance for tax exemptions and increasing penalties for tax avoidance;
- b) standardizing taxes on income and profits and adopting a more rational system of income tax deductions or tax credits for dependents;
- c) eliminating preferential duties on certain imports;
- d) changing tax assessment code (for several commodities, from basing their tax liabilities on administrative value to C.I.F. value);
- e) raising excise taxes, stamp duties, and registration fees on certain commodities and services (petroleum products, tobacco, beer and other alcoholic beverages, soft drinks, telecommunication services, vehicle registration fees, and insurance services);
- f) adopting revised property and estate tax codes including the introduction of a property tax registry;
- g) introducing a value added tax system beginning January 1986.

The above tax reform measures, with the exception of the value added tax, have been in effect since fiscal 1984/1985. Some are progressing more rapidly than others. These measures are expected to generate a net increase of 4-6 billion CFA francs in government revenue once fully implemented. To date, the revenue effect of the reform is much less than anticipated--approximately 1.5 to 2 billion CFA francs, mostly from excise taxes on goods and services, and some from a more rigorous enforcement of taxes on salaries and income. The modest outcome is partially due to the unforeseen events of the 1984 drought, and especially the closure of the Nigerian border. The latter offsets any potential revenue increases from the reform of customs duties which are a major source of government revenue.

The most notable and significant change in Niger's tax system will be the introduction of a value added tax which will be in effect in January 1986. One of the attributes of a value added tax is its neutrality with respect to the number of production stages. Niger's present taxes on production and consumption are based on turnover. Consequently, the tax is applied several times on the early stages of the productive chain because it is based on the full value of each stage as the turnover of goods takes place. A value added tax avoids this so-called "cascading" effect by taxing only the value added of each stage of the productive chain. The tax is collected in successive installments. The sum of these installments is the same as if the tax were a

single stage retail sales tax. The cascading effect also generates artificial incentives toward vertical integration of productive processes.

Because of the nature of the tax, it is necessary to extend coverage to as many stages of production and distribution as possible in order to have the intended revenue effect. It would not be too difficult to have a reasonably effective collection method for the modern sector and import-intensive local industries since their numbers are small. However, for local artisans and small traders who are in large numbers and most of whom do not keep adequate books and records, the administration of the value added tax will present a challenge for the Ministry of Finance.

Monetary Policy

On monetary and credit expansion, the Nigerian authorities have adhered to the quantitative target ceilings under the IMF stand-by programs. Money supply grew less than 10 percent in 1985 and is expected to grow less than 9 percent in 1986. The increases in net credit to the government during 1983-1985 were within the limits of the IMF programs. The growth of net credit to the government reflected reduction in previously accumulated government arrears.

There were also some changes in the distribution of credit. A higher portion of the credit growth has been allocated to the private sector. The restrictive monetary and credit policies have contributed to relative price stability in recent years. The rate of inflation averaged 8 percent during 1983-1985 as compared with 11 percent during 1980-1982. The government is expected to continue the cautious monetary and credit policies under the 1985/1986 IMF stand-by program. The growth of money supply in 1986 is projected to decrease from 9.5 percent to 8.6 percent. The growth of credit will be limited to 11.4 percent with a higher portion of the credit growth going to the private sector.

Balance of Payments Policy

In the external sector, the current account deficit has been reduced by more than half (from 11.4 percent of GDP in 1980 to 3.4 percent of GDP in 1984). This was accomplished largely by import reduction. The objective of balance of payments stabilization had been largely accomplished in 1984 when the overall balance of payments deficit was reduced to 4 billion CFA francs (or 0.6 percent of GDP).

However, the effect of the 1984 drought and the closure of the Nigerian border (which affected official exports and imports) caused an increase in the current account deficit to 4.8 percent of GDP in 1985. Furthermore, net capital flows also declined from 12.9 billion CFA francs to 9.3 billion CFA francs. Consequently, there was an increase in the overall balance of payments deficit to 3.7 percent of GDP. The deficit was largely financed through debt relief. Throughout this adjustment period the authorities have maintained a liberal trade and payments regime; there were no new restrictions imposed on payments and transfers for international transactions.

External Debt Policy

Since mid-1983, Niger has refrained from contracting or guaranteeing new non-concessional loans with a maturity period of less than 12 years in accordance with the IMF conditionality. The IMF programs, together with their prudent fiscal, monetary, and balance of payments policies, allowed the Nigerien authorities to obtain three consecutive debt reschedulings from both the Paris Club and one debt relief London Club. The debt relief helped finance the budget and balance of payments deficits during fiscal 1984-1986 and brought economic and financial stability. The third IMF stand-by program (December 1985-December 1986) will continue the present external debt policy.

B. Public Resource Management

In the reform of public resource management, there are three main components: consolidation and restructuring of public investment (development or capital) outlays; restructuring spending in the current budget; and debt management.

Public Investment

In 1983/1984 the Nigerien authorities began the consolidation of public investment spending with the implementation of the 1984-1985 program of consolidation. Under the consolidation program the level of spending was cut by about 20 percent. It also re-oriented more spending toward the directly productive sectors and less toward administrative infrastructure (government buildings), telecommunications, and social services. There was also added emphasis on economic policy.

In fiscal 1985 the Nigerien authorities also adopted an integrated investment budget approach together with the concept of a "rolling plan" (programmation glissante). With the World Bank assistance, the authorities are in the process of completing an initial three-year rolling investment program (1986-1988). The three-year program will be limited to no more than 275.5 billion CFA francs. The emphasis will be in the areas of agricultural and rural development, industry, trade and commerce, and maintenance or rehabilitation of selected existing projects instead of new projects, as well as giving priority to maintenance in the transport sector.

Current Expenditures

While the austerity measures mentioned above involved lowering government spending in subsidies and transfers and restraining increases in personnel expenditure, an analysis of the structure of government spending revealed the following facts: (a) an unsustainable rising wage bill given the revenue prospect; (b) a declining expenditure ratio between materials and wages;^{1/} and (c) a neglect of recurrent cost consideration for the maintenance and operation of existing development projects.

^{1/} Materials expenditure category is defined broadly here to include transport, maintenance, and other non-wage expenditures excluding interest payments, subsidies and transfers.

Among the above three policy issues, the wage bill issue is central in the success or failure of any effort to restructure current expenditure outlays. Without limiting the increases in the wage bill, it would be difficult to raise the materials to wage expenditure ratio which would help increase effective use of public resources. It would also make it more difficult to justify any attempts in cost recovery of governmentally supplied services. The Nigerien authorities are aware of these issues and are moving toward the restructuring of its current expenditure pattern. The increases in the government wage bill have declined from an annual average rate of more than 12 percent during 1978-1983 to 7.5 percent during 1984-1986. Efforts are also being made to recover costs in areas of irrigation, water supply, educational materials, and hospital services.

Debt Management

One of the causes of the debt problem is inadequate control and coordination among different ministries, agencies, and public enterprises. The Nigerien Government recognized the problem, and with the assistance of the World Bank and the IMF have proceeded with the task of strengthening key offices in the Ministries of Planning and Finance to improve the management of public debt. A complete inventory of all existing debt has been done. A study of "cross-debt" among state-owned enterprises is planned for the near future. There has also been an attempt to raise the awareness of the external debt situation at the line ministry level.

C. Privatization Effort and Reform of State-Owned Enterprises

The reform objective in the state-owned enterprise (SOE) sector is three-fold: (a) to reduce its size by divesting a number of SOEs; (b) to increase efficiency of SOEs in order to lighten their financial burden on the state treasury; and (c) to encourage investments from the private sector. Following the IBRD-financed studies, the Nigerien authorities have adopted a number of policy and institutional changes including an establishment of the Ministry of Public Establishments and Enterprises in charge of overseeing policy, administration, financial, and technical matters related to SOEs. As its first act, the Ministry issued administrative decrees to privatize (partially or fully) or liquidate 22 of the 54 SOEs.

Of the SOEs which will remain in the public sector, a number of specific measures to improve their operations have been instituted. Two important SOEs, the grain marketing agency (OPVN) and the postal and communication service (OPT), will be major candidates for rehabilitation in 1986. The measures taken by these SOEs range from cost savings (such as reduction of personnel), to revisions of pricing/tariff structure in the case of public utilities, to institution of cost recovery efforts in the case of irrigation and underground water supply agencies, to improved accounting and financial systems and rigorous enforcement of loan recovery in the case of BDRN (development). The reform effort has been supported mainly by the IBRD and the French.

In addition to the above policy measures for specific SOEs the Nigerien authorities are in the process of developing a more flexible policy with respect to the regulatory system of prices and profit margins (systems of "homologation des prix" and "taux de marge"). The authorities will also adopt clearer legal and contractual arrangements to delimit the responsibilities and

relationships between the SOEs and the State. This should provide more autonomy to SOEs and allow them to operate like profit-making concerns and less interferences from the State.

D. Agricultural Policy Reform

The agricultural policy reform focuses on four areas: (a) grain pricing, marketing, and security stock; (b) agricultural input subsidies; (c) agricultural credit; and (d) agricultural research. Some progress has already been made, particularly in the areas of grain price and marketing and agricultural input subsidies. Subsidies on farm implements were eliminated in 1985. Grain price and marketing have been liberalized in order to increase competition and generate price and market information, the grain marketing agency initiated a system of tenders and bids for wholesale purchases and sales of millet and sorghum. It has also agreed to set official prices in line with market conditions. Moreover, the Nigerian Government is moving toward a policy of using official floor prices only for indicative purpose. It is also adopting a policy of reducing the level of grain reserves maintained by the grain marketing agency in order to reduce its financial burden.

In the area of agricultural credit, the government has initiated a study of informal credit with A.I.D. financing. The study is expected to be completed late 1986. The study should provide a better basis for future policy direction in the area of agricultural credit. It will also undertake a study of the official credit institution (CNCA) in the near future. In agricultural research, the government is in the process of reformulating its agricultural research priorities.

E. Pricing and Marketing Policies

In addition to grain price and marketing reform, the Nigerian authorities abolished all imports distribution monopolies, except the imports of petroleum products, in October 1985. In November 1985 it replaced the price regulatory system with a system of profit margin control for most products and services with the exception of petroleum products, salt, bread, flour, transportation, water, and electricity services. The pricing and marketing policy changes are important in improving economic incentive which is necessary for the privatization effort.

III. PUBLIC FINANCE: TRENDS AND OUTLOOK

A. Recent Developments and Trends

Government Expenditure

Total government spending more than doubled between fiscal 1978 and 1981, from 59 billion CFA francs (\$262 million at 1978 exchange rate) to 139 billion CFA francs (\$616 million at 1978 exchange rate). As a percentage of GDP, it went from 16.5 percent in 1978 to 23.6 percent in 1981. The average annual rate of growth of total government spending was 28 percent during this period. Following the 1982/83 economic crisis and the adoption of austerity measures in 1983, government spending was cut by 27 percent during 1982-85. It declined to approximately 15 percent of GDP (101 billion CFA francs) during 1984/85.

During the past eight years, current expenditures increased steadily by an average annual rate of 10 percent (from 31.5 billion CFA francs in 1978 to 70.4 billions CFA francs in 1985) They represented about 10 percent of GDP in 1985--an increase of 1.2 percentage points from 1978. Interest payments on public debt have the highest growth rate (an average of 20 percent); it more than quadrupled during this period with largest increases between 1983 and 1985. Wages and salaries grew by an average annual rate of 12.2 percent during this period; followed by materials and supplies (9.1 percent), and subsidies and transfers (5.6 percent). The low average annual rate of growth for subsidies and transfers was accounted by the cuts in subsidies in 1982/83 and 1985. Materials and maintenance spending was actually cut by 25 percent in 1983 and began to rise modestly again in 1984 and 1985. The level of material and maintenance spending in 1985 was 19 percent higher than that of 1980. Taking inflation into account, the 1985 level was about 10 percent lower than the 1980 level.

Because of the rapid growth of interest payments in the current budget, the relative shares accounted for by different economic categories of current expenditures have also changed. Interest payments in 1985 represented 24 percent of current spending as compared to 13 percent in 1978. The large share of interest payments and greater increases in wages and salaries limit the resources going to materials, supplies, and maintenance. The ratio of materials (including supplies and maintenance) to wages, an indicator of the likely degree of efficiency for the supply of goods and services from the public sector, has declined from 0.81 in 1978 to 0.65 in 1985. The declining material-wage ratio has resulted in many project activities and already installed infrastructure operating below their potential because of inadequate funding of necessary recurrent expenditures. This is particularly acute in the cases of road maintenance, in health and educational facilities, and maintenance of irrigated perimeters.^{1/}

Table A.11 in the Statistical Appendix shows the allocation trends of current expenditure spending by major functional classification. Spending on education and training accounted for almost one-fourth of total current expenditure. It is followed by expenditures on general public services which show a declining trend from more than 28 percent in 1980 to about 21 percent in 1984. Slightly less than one-fourth of this spending went to public order and safety. National defense represented the next largest category of current expenditures, approximately 7 percent.

There have been two distinct trends in development (capital!) expenditures: a rapid rising trend of the late 1970s and early 1980s and a declining trend between 1982 and 1985. Following the adoption of a uranium-led growth strategy under the 1979-83 Development Plan, capital spending took off with a rapid expansion of public expenditure programs and investments. Development expenditures almost tripled between 1978 and 1981, from 28 billion CFA francs (\$123 million at 1978 exchange rate) to 70 billion CFA francs (\$308 million at 1978 exchange rate or \$260 million at 1981 exchange rate).

^{1/} While there is no particular single optimal ratio between wages and materials, to maintain an efficient management and use of public sector resources, an adequate balance between the two categories of expenditures and between capital (investment) and recurrent expenditures has to be maintained.

Since fiscal 1982, the levels of development expenditures have been lowered to less than half of the 1981 peak. The drastic reduction occurred in 1982 when development expenditures fell by almost half from the previous year. In 1985, development expenditures accounted for 30 percent of total government spending as compared to 47 percent in 1978. During the last two years, capital outlays averaged about 31 billion CFA francs (\$73 million). This was about the same level as that of 1978 in nominal terms.

Prior to fiscal 1985, there was no consolidated budget (i.e., integration of current and development budgets). Development expenditures came from two sources: National Investment Fund budget (Fond National d'Investissement--FNI) and extrabudgetary financing. The FNI budget is intended to provide local counterpart contributions for foreign-financed projects. Extrabudgetary outlays were also used for the prefinancing of projects in anticipation of foreign assistance.^{1/}

In fiscal 1981, the FNI budget financed 38 percent of development expenditures; it financed only 17 percent of development outlays during 1984/85. A substantial portion of the FNI budget came from uranium receipts. As uranium revenues declined, the FNI budget was reduced from 26.9 billion CFA francs (\$100 million at 1981 exchange rate) in 1981 to 5 billion CFA francs (\$12 million at 1985 exchange rate or \$16.5 million at 1981 exchange rate) in 1985. Even at this low level, the proportion of the FNI budget which was funded by donors' non-project assistance has increased. In 1984/85, A.I.D. financed almost all the previously FNI-financed agricultural/rural development projects through A.I.D.'s Agriculture Sector Development Grant.

In fiscal 1985, the Nigerien Government introduced a consolidated budget (Budget Général) divided into three budgets: current budget (Budget de Fonctionnement); investment budget (Budget d'Investissement); annexed budget for public works agencies (Budget Annexe d'Exploitation du Matériel de Travaux Publics--BAEMTP). The Investment Budget includes all development expenditures both project-tied and financed by donors as well as those financed by the previous FNI. The previous FNI now appears as a line item in the Investment Budget. The source of FNI financing is the Treasury (which in recent years depended, to a large extent, on non-project assistance from donors).

Table A.12 shows the allocation of development expenditures from the FNI budget during the period of 1980-84. Over this period the FNI budget declined by an average annual rate of 39 percent, from the peak of 27 billions CFA francs in 1981 to 5 billions CFA francs in 1984. In 1985, the level of subbudgetary capital spending was preliminarily estimated at 4.5 billions CFA francs. Prior to 1984, education and general public services accounted for almost half of the budgetary capital spending followed by water and electricity and roads. Spending on agriculture showed a declining trend from more than 11 percent in 1980 to 5 percent in 1983. In 1984, with the emphasis on road maintenance and rehabilitation and rural development, spending on roads increased; so are agriculture. The share of spending on education declined in 1984 following the reductions in subsidies and other transfers. The health share in the budget represented less than 4 percent in 1984.

^{1/} Not all the expenditure outlays in the FNI and extrabudgetary categories are capital spending and certainly not investment in the strict economic sense. For example, they include subsidies and transfers to public enterprises.

Government Revenue

Tables A.13 and A.14 in the Appendix show the trends and structure of government revenue during 1977-85. Government revenue almost doubled between 1977 and 1980, from 37.7 billion CFA francs to 73.3 billion CFA francs. It reached a peak of 75.2 billion CFA francs in 1981. Total revenue declined by 1.8 percent in 1982 and again in 1983 by 6.7 percent. It remained at about the same level in 1984 following the implementation of a fiscal reform program. The 1984 drought and the Nigerian border closure, the effect of which shows up mostly in fiscal 1985, delayed any anticipated revenue increases from the reform program. Government revenue fell to its lowest level (68 billion CFA francs) of the past six years.

As a percentage of GDP, government revenue has shown a declining trend from more than 13 percent in the late 1970s to 9.6 percent in 1985. The declining and stagnant revenue performance reflected the slowdown in general economic activity, Niger's narrow tax base and dependence on uranium, and a relatively inefficient tax administration in terms of the effectiveness of tax collection and enforcement. Despite the fiscal reform program instituted since 1984, its impact in terms of additional revenue has been limited although unforeseen events, such as the Nigerian border closure, may have offset or delayed potential revenue increases from the reform. According to the IMF estimates, the reform should contribute to an annual revenue increase of about 4 billion CFA francs; this has yet to be fully realized.

The share of government revenue from taxes has increased from 75 percent in the late 1970s to almost 90 percent since 1982. In 1979, uranium receipts represented one-fourth of the total revenue. Its share has declined to less than 10 percent in 1985. Major sources of tax revenues are: taxes on international trade; turnover taxes on goods and services; and taxes on income and profits. Together they made up 85 percent of the government revenue. Taxes on international trade contributed between 30 and 40 percent of the total revenue; in 1985, they were estimated at 36 percent. As percentage of GDP, international trade taxes have fallen from 5.2 percent in 1980 to 3.5 percent in 1985.

The next important source of government revenue came from sales and excise taxes on goods and services. Their share showed a rising trend from about 20 percent of total revenue in the late 1970s to 30 percent in 1985. Presently, these sales and excise taxes are undergoing changes; a value added tax system has replaced them since January 1986. The full implementation of the value added tax, its revenue performance, and likely economic effects remain to be seen. A minimum two-year experimentation is foreseen by government officials.

Taxes on income and profit showed a declining trend from more than 27 percent of total revenue (3.6 percent of GDP) in 1977 to about 20 percent (or 2 percent of GDP) in 1985. The trend seems to reflect declining economic activity. Although a number of fiscal measures instituted since 1984 have been aimed at increasing tax revenue from this source, the potential revenue performance from the reform measures in this area have yet to be fully realized.

Budget Deficit

The rising current and development expenditures, together with stagnant revenue, contributed to the large budget deficits of the late 1970s and early 1980s. In 1981, the budget deficit on a commitment basis amounted to

FIGURE 6

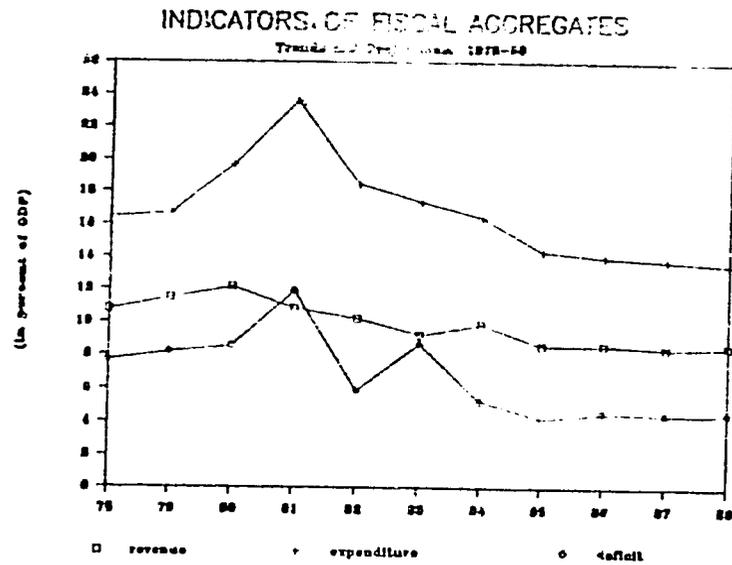
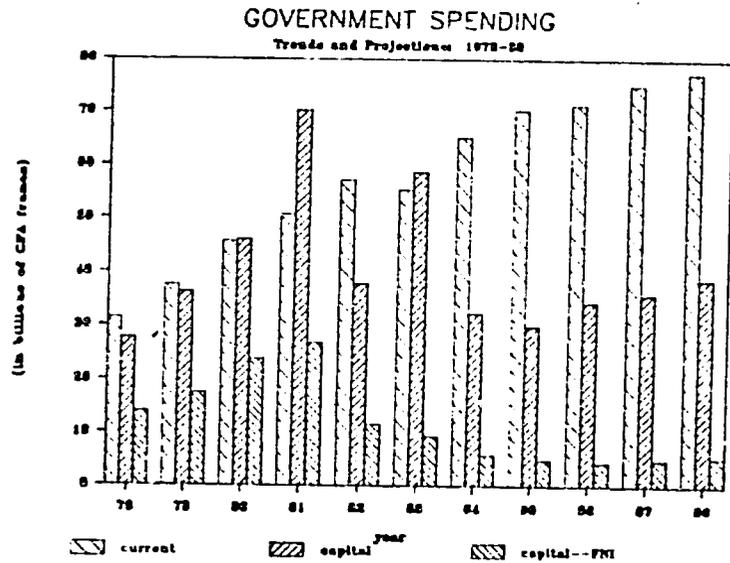


FIGURE 7



13a

FIGURE 8

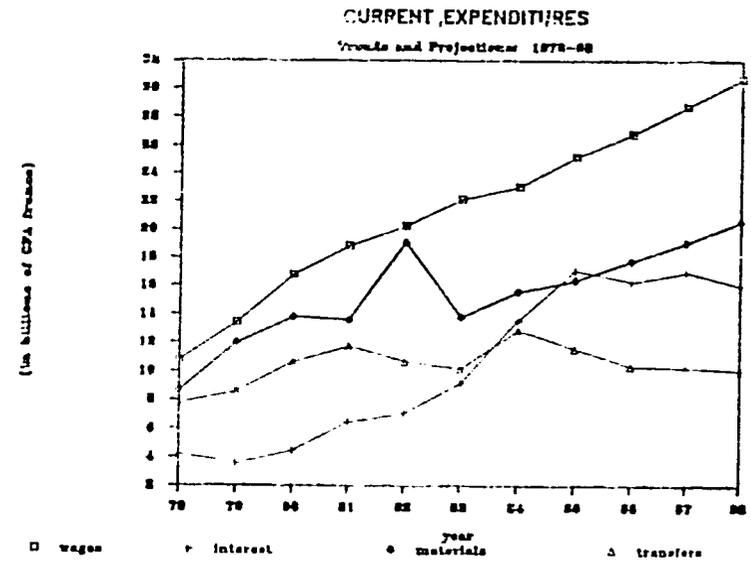


FIGURE 9

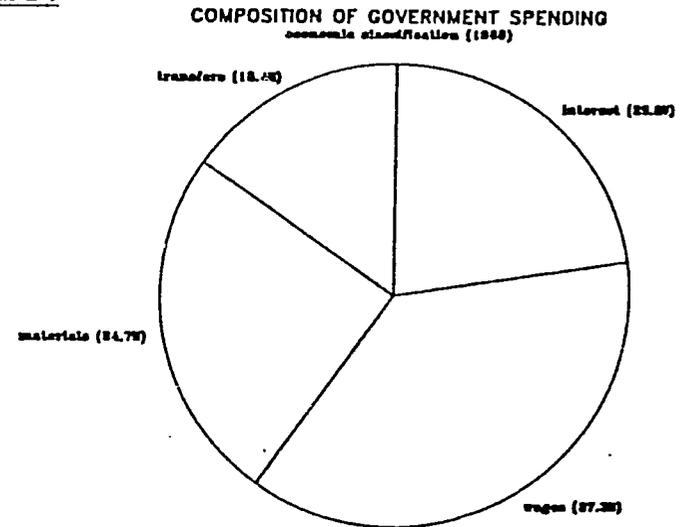


FIGURE 10A

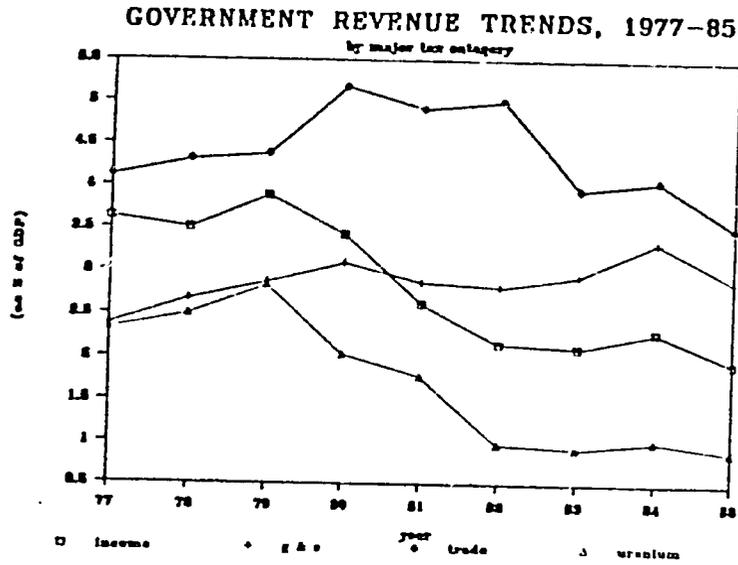


FIGURE 10B

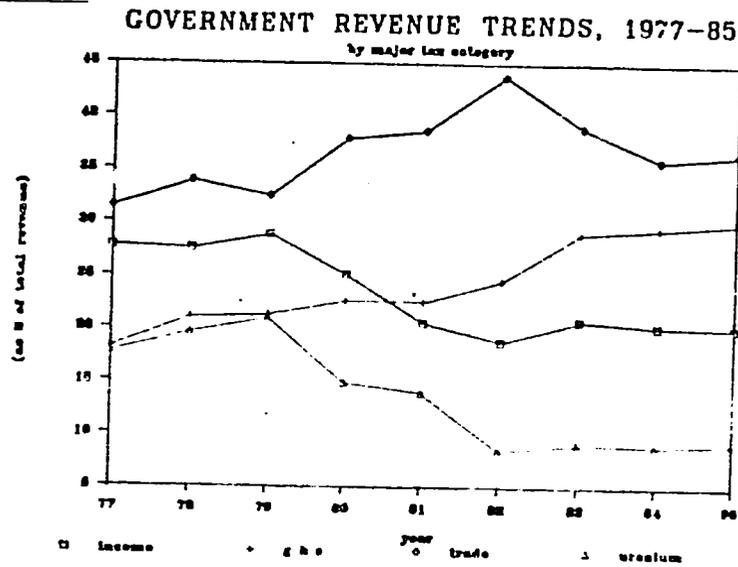


FIGURE 11A

ACTUAL PUBLIC INVESTMENT SPENDING

FUNDS 1979 - 1980

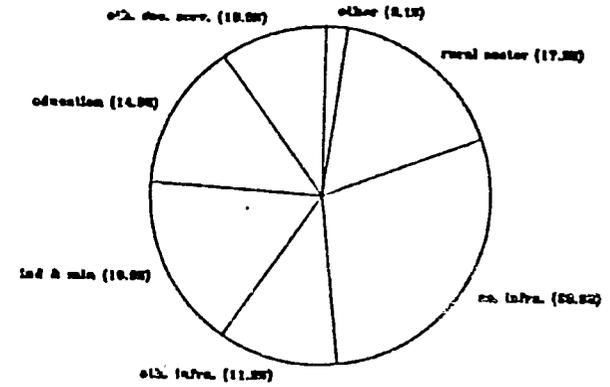
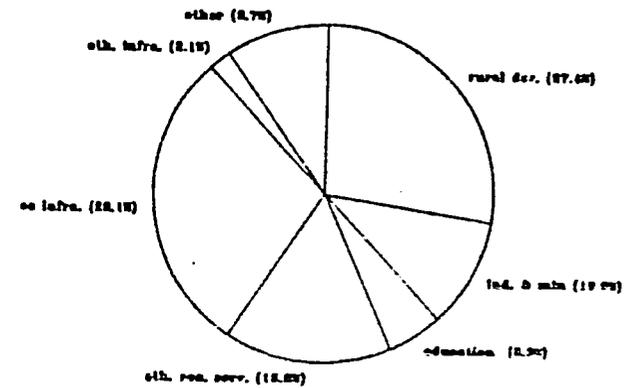


FIGURE 11B

PUBLIC INVESTMENT SPENDING, 1984 - 1985

DEFERRED PROGRAM OF CONSOLIDATION



64 billion CFA francs (10.8 percent of GDP). The inability of the government to finance such a deficit resulted in a substantial increase of arrears, estimated to be more than 14 billion CFA francs in fiscal 1982. Following the pursuit of austerity measures, the deficit has been cut in half. In fiscal 1985, it was estimated at 33 billion CFA francs (4.7 percent). By the end of fiscal 1985, almost all arrears had been eliminated.

Prior to 1984, between two-thirds to 80 percent of deficit financing came from foreign borrowing with the remainder financed by domestic sources and budgetary assistance from donors. Since 1984, about one-third of the financing has come from foreign borrowing, more than 40 percent from debt relief, and the remainder from domestic sources.

B. Outlook

During the last two fiscal years internal financial imbalance has been contained largely through the IMF stabilization program together with the debt relief and some budgetary assistance from other donors. While a number of revenue-increasing measures have been executed, the prospect of fully achieving the anticipated revenue increase remains doubtful, at least for the next three years. The uranium outlook, according to most observers, is still dim for the next three to five years. The need for restraining current spending is evident; but to encourage recovery and renewed growth, development expenditures will have to resume. The recently concluded agreement with the World Bank for a structural adjustment credit program, together with the IMF stand-by arrangement, will provide the overall framework for public expenditures over the next three years.

Table 4 below provides the projections of government revenues, expenditures, and budget deficits for 1986-88 based on the prospects summarized above with considerations given to recent historical trends (1978-85). Over the period, government revenues are expected to grow at an average annual rate of 6 percent--slightly above the 1978-85 trend growth. Total government spending is projected to grow at an average of 4.6 percent per year, significantly below recent historical growth.

On current expenditures, the rate of growth of the government wage bill will be cut by almost half, from more than 12 percent during 1978-85 to 6.6 percent. Subsidies and transfers payments are expected to decline by an average of 4.6 percent per year, and, assuming there will be debt rescheduling over the next three years, interest payments are expected to decline by a modest rate of 2.2 percent per year. Spending and maintenance shows the highest growth during the period, at an average of 7.6 percent. This reflects the policy of improving the material-wage spending ratio to correct the imbalance between the two categories of expenditures, and the inadequate funding for maintenance spending, particularly in infrastructure. The growth of materials and maintenance spending is below the historical trend of 9.1 percent, which is largely due to big increases in the late 1970s.

The overall level of development expenditures for the next three years is set by the agreement between the Nigerien authorities and the World Bank under the SAC. The 1986-88 period will reverse the declining trend of the past few years, which showed an annual average of more than a 30 percent reduction. A renewed growth effort will be initiated together with an attempt to improve

TABLE 4

PROJECTIONS OF GOVERNMENT FINANCE
(in billions of CFA francs)

	P R O J E C T I O N S ^{1/}				Average annual rate of change	
	1985	1986	1987	1988	1986-88	1978-85
I. TOTAL REVENUE	68.0	72.6	76.0	81.50	6.0%	5.7%
of which uranium-related	(6.0)					
Tax revenue	60.7	65.3	68.0	73.50	6.4%	6.4%
Nontax revenue	7.3	7.3	8.0	8.00	3.1%	0.7%
II. TOTAL EXPENDITURE	101.4	105.9	111.2	116.30	4.6%	7.7%
Current expenditure	70.4	71.4	75.2	77.50	3.2%	11.5%
Interest payments	17.1	16.3	17.0	16.00	-2.2%	20.0%
Wages and salaries	25.3	26.9	26.8	30.80	6.6%	12.2%
Materials, transp. & housing	16.4	17.8	19.1	20.60	7.6%	9.1%
Subsidies and transfers	11.6	10.4	10.3	10.10	-4.6%	5.6%
Development expenditure	30.0	34.5	36.0	36.80	6.6%	1.1%
Budget--FMI	5.0	4.5	5.0	5.50	3.2%	-14.8%
Extrabudgetary	25.0	30.0	31.0	33.30	9.6%	8.7%
Other expenditure	1.0					
III. BUDGET DEFICIT (I-II) (commitment basis)	-33.4	-33.3	-35.2	-34.80	1.4%	13.0%
IV. CHANGE IN ARREARS (- decrease)	-4.1					
V. OTHER ADJUSTMENTS						
VI. BUDGET DEFICIT (III+IV+V) (cash basis)	-37.5	-33.3	-35.2	-34.80	-2.5%	14.6%
DEFICIT FINANCING:	37.5	17.2	17.2	19.60	-21.6%	16.5%
External financing	10.5	12.8	9.2	14.70	11.2%	-4.5%
Drawings	30.9	33.3	35.0	39.00	6.7%	12.4%
Repayments	-19.5	-20.5	-25.8	-24.30		
Domestic financing	10.0	4.4	8.0	4.90	-23.8%	-3.0%
Banking system	9.0	4.0	8.0	2.90	-37.6%	11.2%
Other--nonbanking system	1.0	0.4		2.00	23.1%	-37.4%
Debt relief	17.0					
FINANCING GAP		16.1	18.0	15.20		

^{1/} Mission projections based on information from Min. of Planning and Finance.

TABLE 5

NIGER: STRUCTURE OF PUBLIC INVESTMENT PROGRAM, 1986-88
(in percent)

SECTOR	Budget	Projections		Total
	1986	1987	1988	1986-88
DIRECTLY PRODUCTIVE SECTORS	45.0	45.0	45.0	45.0
Agriculture and rural development	38.0	38.0	38.0	38.0
Mining, industry and others	7.0	7.0	7.0	7.0
SOCIAL SERVICES	28.5	31.0	31.0	30.2
Education and training	5.6	7.0	7.0	6.5
Health	1.8	4.0	4.0	3.3
Housing and urban development	5.5	5.0	5.0	5.2
Water Supply	15.6	15.0	15.0	15.2
INFRASTRUCTURE	26.5	24.0	24.0	24.8
Roads and transport	11.1	15.0	19.0	15.0
Telecommunications	6.0	3.0	1.0	3.3
Administrative infrastructure	9.4	6.0	4.0	6.5
Total (in percent)	100.0	100.0	100.0	100.0
Total (in billions of CFAF)	80.0	92.5	103.0	275.5
Total as percentage of GDP	10.6	11.5	12.0	11.4

Source: USAID/Niger's calculations based on data from Ministry of Planning.

investment planning, budgeting, and choice of projects. An average annual growth of 8.6 percent is planned for development expenditure outlays. The portion of the Investment Budget to be funded by the Treasury will show a modest increase of 3.2 percent per year over this period. This assumes that the Treasury will be able to find supplemental financing from donors in the form of non-project assistance, such as the sector assistance provided by A.I.D. in 1984/85 under its Agriculture Sector Development Grant. The level of development expenditures in the budget will reach approximately 39 billion CFA francs (of which 5.5 billion CFA francs will be Treasury-funded--previously known as the FNI) in 1988, as compared to the 1985 level of 30 billion CFA francs.

The composition of the development expenditure program for 1986-88 will also change. The program puts more emphasis on agriculture/rural development, less on administrative infrastructure and telecommunications, and more spending on road maintenance and infrastructure rehabilitation in general. The planned spending allocation under the 1986-88 program is as follows: 45 percent to the directly productive sectors (38 percent for agriculture/rural development, the remaining for mining, industry, and energy); 30 percent for social services (6.5 percent for education and training, 3.3 percent for health/population, 5.2 percent for housing/urban development, and 15.2 percent for water supply), and 24.8 percent for infrastructure (15 percent for roads and transport, 3.3 percent for telecommunications, and 6.5 percent for administrative infrastructure). The 1986-88 program will also incorporate the concept of a rolling development plan. Table 5 shows the allocation of the 1986-88 development expenditures by major economic sectors. To see the changes in the compositions of development expenditures, Tables A.15 and A.16 in the Appendix provide, respectively, the spending patterns under the 1979-83 Development Plan and the 1984/85 Interim Program of Consolidation.^{1/}

The budget deficits (on a commitment basis) over the next three years are projected to increase at an average annual rate of 1.4 percent. The 1986 budget deficit remains at about the same level as in 1985 (4.7 percent of GDP). This is due to planned larger development expenditures. The 1988 budget deficit is expected to be 1.4 billion CFA francs larger than the 1985 deficit. As a percentage of GDP, it represents a small decline from almost 5 percent to 4 percent of GDP. The larger deficit reflects a modest resumption of development expenditures under the World Bank SAC program. A financing gap in the neighborhood of 15-18 billion CFA francs per year is expected over the next three years. A large portion of the financing gap (85-90 percent) is likely to be covered through debt relief.

IV. TRADE AND BALANCE OF PAYMENTS: TRENDS AND OUTLOOK

A. Recent Developments and Trends

Three major macroeconomic factors determine Niger's balance of payments developments and the position of its external sector:

^{1/} For a more detailed discussion of the 1979-83 Plan and the 1984/85 consolidation program, see K. Toh (1984): An Analysis of Niger's Interim Plan, 1984-85.

- uranium exports and terms of trade,
- international capital flows and foreign assistance,
- debt service payments.

The dramatic turn of Niger's balance of payments situation occurred in 1982 when the overall deficit reached a record high of \$141 million (7.2 percent of GDP). Prior to 1978, the balance of payments had small surpluses (\$18-30 million). The surplus situation turned into small deficits (less than 1 percent of GDP) in 1978 and 1979. In 1980, the deficit grew to \$71 million (2.8 percent of GDP); but in 1981, it showed a small surplus of \$7 million.^{1/} Following the adjustment measures and the IMF assistance, the balance of payments deficits were reduced to approximately \$20 and \$10 million in 1983 and 1984 respectively (less than 1 percent of GDP). The 1984 drought which raised cereal imports and lowered exports of livestock and cowpeas contributed to a larger balance of payments deficit in 1985, estimated at \$61 million (3.7 percent of GDP).

In the current account, with the rapid growth in uranium export earnings (an increase of five-fold between 1975-80), imports quadrupled from less than \$200 million in 1976 to almost \$800 million in 1980. Most of these imports were for the expansion of mining and related activities and public development programs, as well as imports of petroleum products. Imports of invisible items (i.e., non-factor services--interest and dividend payments) and private transfers also increased significantly. The deficit in the goods and non-factor services account grew from less than \$75 million in 1975 to almost \$400 million in 1980. It was partially offset by increases in unilateral transfers (mostly official grants). During this period, they increased by an average annual rate of 12 percent. The current account deficit (including official transfers) increased from slightly more than \$20 million in 1976 to almost \$300 million in 1980 (11.4 percent of GDP).

Until 1982, the current account deficits were adequately financed by surpluses in the capital account. These surpluses reflected net international capital inflows, mainly foreign direct investment, borrowing, and project related capital flows associated with uranium mining and related activities as well as public development programs. Net capital inflows increased five-fold between 1976 and 1979 from less than \$40 million to \$200 million, with public capital representing 77 percent of these inflows. With the exception of 1980, these capital inflows were large enough to keep the balance of payments in equilibrium.

Since 1981 the three factors mentioned above have contributed to the changed balance of payments situation. In addition to the decline in uranium export volume in 1982, there has been deterioration of Niger's terms of trade. The export price index of its main exports, uranium, has fallen by more than

^{1/} The balance of payments figures as reported by the Nigerien authorities as of August 1985 are somewhat different especially for 1980-82, from those reported in the most recent IMF document (Niger - Recent Economic Developments, June 1985). For the purpose of this report; the figures from the Nigerien authorities are used whenever they are available and appropriate as there are reasons to believe that these figures are more up-to-date than those made available to the IMF for its June 1985 report.

25 percent since 1980, whereas the import price index during the same period has increased by 7.7 percent. Consequently, Niger's terms of trade deteriorated by 28 percent during 1980-84. Export earnings declined by \$116 million in 1982. Uranium export earnings alone accounted for more than 70 percent of the total reduction.

Compounding the falling export earnings was a much lower level of net capital inflows in 1982 and higher debt service payments. Net capital inflows decreased from \$191 million in 1981 to \$22 million in 1982. Net public capital inflows were reduced by more than half from \$137 million in 1981 to \$59 million in 1982. There were also net outflows of private capital amounting to \$36 million. The reduced level of net public capital inflows and the emergence of net private capital outflows were due to increases in amortization of previous loans and a reduction of projected-related disbursements. The capital account fell far short of the level capable of financing the current account deficit resulting in a large overall balance of payments deficit. The large and unsustainable balance of payments deficit depleted Niger's foreign exchange reserves. At the end of 1982, gross official reserves at the end of 1982 reached a level equivalent to approximately three weeks of imports.

Following the adjustment measures adopted in 1983, the balance of payments situation improved significantly. This was accomplished largely through cuts in imports, refraining from non-concessional borrowing, debt reliefs and other austerity and reform measures described in Section II above. However, during this period there were reductions in the unilateral transfers account, in particular public transfers fell by more than 25 percent. The trend toward an improved balance of payments situation was interrupted by the 1984 drought and the Nigerian border closure which caused the balance of payments deficit to be much larger in 1985. Figures 12, 13, and Table A.17 show the trends of key aggregate indicators of balance of payments.

B. Medium-Term Outlook

Table 6 below and Figures 14A and 14B present projections of Niger's balance of payments situation over the next five years (1986-90). The projections are based on the assumption that present adjustment and reform efforts continue. The balance of payments situation will be sensitive to a number of factors, particularly, growth of exports and imports, uranium price and terms of trade, official assistance and international capital flows are shown. To account for this sensitivity, two projections based on two different sets of assumptions regarding exports, imports, terms of trade, and capital flows. The assumptions of each scenario are summarized below, together with two historical trends, one from the period 1975-85 and the other 1982-85.

Scenario A reflects in general a slower adjustment and recovery process than Scenario B. Scenario A assumes a lower growth of export earnings, a higher growth of imports, a lower rate of increase of uranium price and less favorable terms of trade, and a lower growth of public capital. Both assume a trade pattern and capital flows of a situation without substantial food aid.

Under Scenario A, the overall balance of payments deficit will be reduced gradually (at a modest average annual rate of 11 percent between 1986-90). The current account deficit will decline by an average of less than 2 percent per year. By the year 1990, there will still be an overall balance of

FIGURE 12

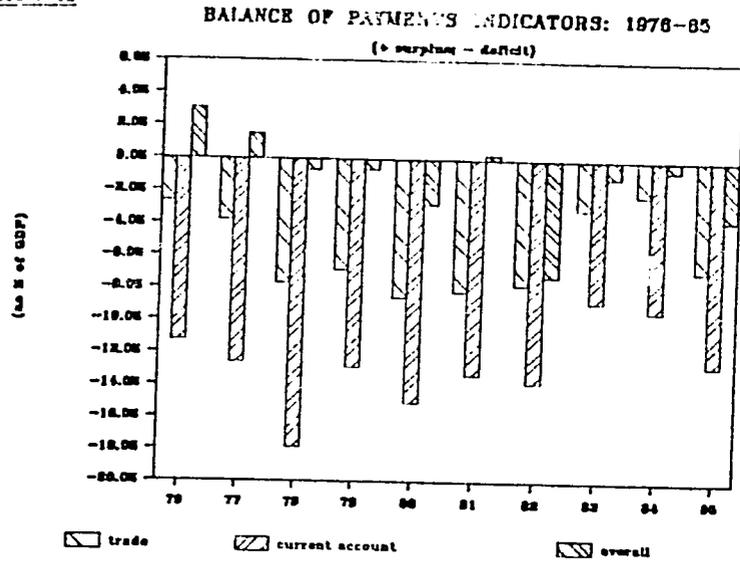


FIGURE 14A

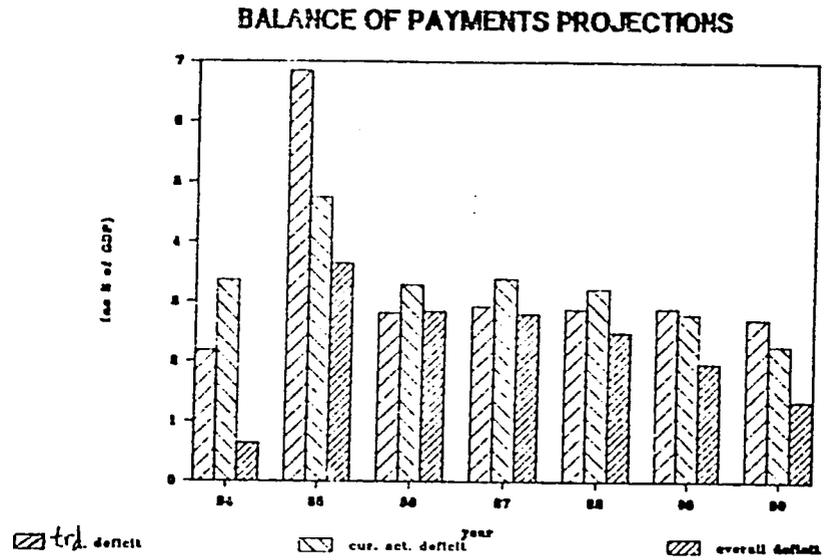


FIGURE 13

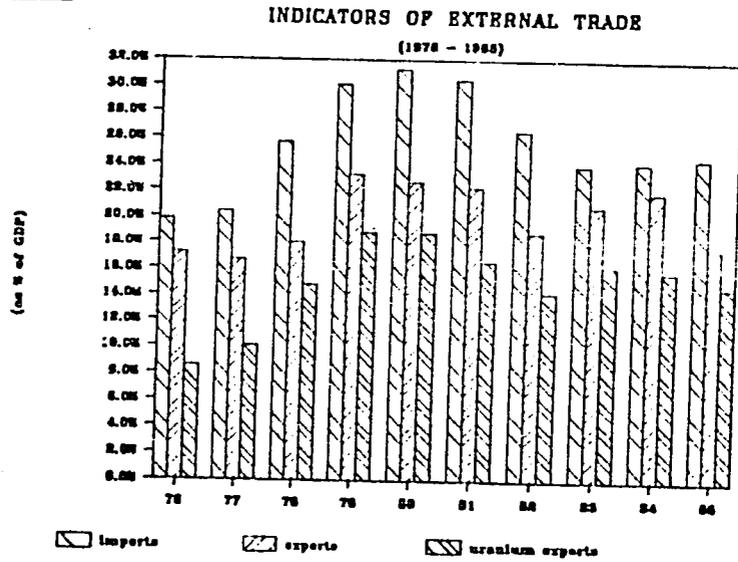


FIGURE 14B

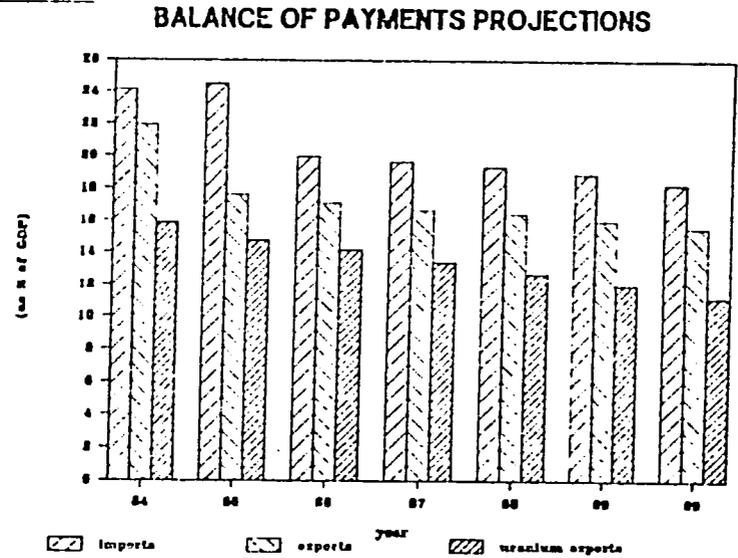


TABLE 6

BALANCE OF PAYMENTS PROJECTIONS
(in billions of CFA francs)

	1985	Scenario A					Scenario B				
		P R O J E C T I O N S					P R O J E C T I O N S				
		1986	1987	1988	1989	1990	1986	1987	1988	1989	1990
I. CURRENT ACCOUNT, NET	-33.6	-24.9	-27.4	-27.8	-28.1	-23.1	-24.9	-22.0	-17.8	-10.2	-2.1
Trade balance	-48.4	-21.3	-23.7	-24.9	-26.9	-27.7	-21.3	-18.3	-14.9	-11.0	-6.1
Exports, f.o.b.	124.6	129.6	134.8	141.5	148.6	157.9	129.6	138.7	148.4	158.7	169.1
(of which: uranium)	(104.0)	107.1	108.2	109.3	111.4	113.7	107.1	112.5	118.1	124.0	130.0
Imports, c.i.f.	-173.0	-150.9	-158.4	-166.4	-175.5	-185.2	-150.9	-150.9	-163.2	-169.7	-175.1
Net Services	-41.3	-42.3	-43.1	-43.0	-41.7	-40.5	-42.3	-43.1	-43.0	-41.7	-40.5
Goods and services, net	-89.7	-63.6	-66.8	-67.9	-68.6	-65.2	-63.6	-61.4	-57.9	-52.7	-47.2
Net Transfers	56.1	38.7	39.4	40.1	42.5	45.0	38.7	39.4	40.1	42.5	45.0
Private	-11.5	-15.0	-13.4	-13.8	-16.2	-16.6	-15.0	-15.4	-15.8	-16.2	-16.6
Public	67.6	53.7	54.8	55.9	58.7	61.6	53.7	54.8	55.9	58.7	61.6
II. CAPITAL ACCOUNT, NET	9.3	3.4	4.8	6.2	7.7	9.3	3.4	5.1	7.1	9.1	11.6
Public (net)	13.8	7.2	8.3	9.5	11.0	12.6	7.2	8.6	10.4	12.4	14.9
Private (net)	-4.5	-3.8	-3.5	-3.3	-3.3	-3.3	-3.8	-3.5	-3.3	-3.3	-3.3
III. ERRORS AND OMISSIONS	-1.5										
IV. OVERALL BALANCE	-25.8	-21.5	-22.6	-21.5	-18.4	-13.8	-21.5	-16.9	-10.7	-1.0	9.5
FINANCING:											
Net foreign assets	8.0										
Banks											
BCEAO	8.0										
of which: IMF	(6.4)										
Debt Relief	17.8										
MEMORANDUM ITEMS											
Exchange rate (annual average)											
CFA francs per U.S. dollar	420.0	380.0	380	380	380	380	380	380	380	380	380
CFA francs per SDR	432.6	418.0	418	418	418	418	418	418	418	418	418
Trade balance (deficit -)	-6.9%	-2.8%	-2.9%	-2.9%	-2.9%	-2.7%	-2.8%	-2.3%	-1.7%	-1.2%	-0.7%
Current account balance	-4.8%	-3.3%	-3.4%	-3.2%	-2.8%	-2.3%	-3.3%	-2.7%	-2.1%	-1.1%	-0.2%
Overall balance	-3.7%	-2.8%	-2.8%	-2.5%	-2.0%	-1.4%	-2.8%	-2.1%	-1.2%	-0.1%	0.9%

Source: Central Bank (BCEAO)
and Ministry of Planning

Alternative Assumptions for the Balance of Payments Projections

	Average Annual Rate of Change (in percent)		Average Annual Rate of Change (in percent)	
	<u>Scenario A</u>	<u>Scenario B</u>	<u>1975-85</u>	<u>1982-85</u>
Exports	4.7	6.8	14.3	0.9
Imports	5.9	3.9	17.0	0.4
Uranium Price	1.5	5.0	--	--
Net Services	-0.4	-1.1	11.2	1.9
Interest Payments	-11.2	-14.0	--	--
Unilateral Transfers	3.8	3.8	14.1	15.6
Private	2.5	2.5	11.9	-2.5
Official	3.4	3.4	13.7	11.8
Net Capital Flows	25.1	30.7	2.4	8.1
Public	14.0	18.2	12.9	-11.4
Private	-2.8	-3.5	24.0	-33.0

payments deficit of \$36 million and a deficit of \$60 million in the current account.

With a more favorable set of assumptions under Scenario B, the analysis shows a quicker adjustment process with the balance of payments reaching equilibrium in 1989. A modest surplus of \$25 million is projected for 1990. This is quite a contrast from the projections made under Scenario A which actually shows increases in the current account deficit for 1987 and 1988. It is not until 1989/90 that a downward trend is predicted. Under Scenario B, the current account deficit is projected to fall below \$60 million--a level which is predicted for 1990 under Scenario A.

V. EXTERNAL DEBT: PROBLEM AND PROSPECTS^{1/}

A. Current Situation

Niger's outstanding and disbursed external public debt grew from less than \$100 million at the end of 1975 (less than 12 percent of GDP) to almost \$800 million at the end of 1985 (approximately 47 percent of GDP). Most of the increases in debt took place between 1979 and 1982. Public debt (outstanding and disbursed) tripled from \$200 million to \$600 million during this period. There were also significant increases in private debt, reaching the peak of \$471 million in 1982. Private debt has, however, declined since 1983 to an estimate of approximately \$177 million by the end of 1984. The country's

^{1/} For a more detailed discussion and data on Niger's external debt, see K. Toh (1986): Niger's External Debt: Legacy of Uranium-Led Growth Strategy.

total indebtedness, public and private, was estimated at about 54 percent of GDP in 1985. Niger's external debt also includes "non-monetary liabilities" owed to the IMF. The total use of IMF credit facilities is estimated at \$73 million (24 million SDRs from the Compensatory Financing Facility, 47.48 million SDRs from three IMF stand-by arrangements, and \$13.2 million from the Trust Fund).

In addition to the rapid accumulation of external debt, there were also changes in the structure and terms of debt. The share of bilateral loans in Niger's debt declined from 70 percent in the mid-1970s to less than 45 percent in 1985. Multilateral loans have increased in importance and represented 41 percent of the public debt in 1985. The most significant change in the debt composition is the role played by international financial markets. The share of financial market credits went from 4 percent of the total debt in 1976 to almost 32 percent in 1982. Approximately 60 percent of the debt outstanding and disbursed by the end of 1985 was contracted with French financial institutions or guaranteed by France. About 72 percent of the debt owed to London Club creditors (mainly private financial institutions) at the end of 1985 was from French institutions.

Since the early 1980s, the terms of debt have become harder as a result of the change in the structure of debt toward a larger share of credits from financial institutions with shorter maturities. The average level of grant element of public debt declined from almost 80 percent in 1975 to 40 percent in 1983. The average rate of interest from all sources increased from less than 1 percent in 1975 to about 7 percent in 1983. The terms of loans from multilateral sources remain highly concessional, while loans from bilateral sources have become less concessional. The average grant element of loans from the largest bilateral source, France, decreased from 33 percent in 1979 to 19 percent in 1983.

Niger's debt servicing difficulty reached an unmanageable level in 1982, with debt service obligations amounting to 30 percent of export earnings or 50 percent of government revenue. There were also significant arrears, estimated at \$43 million by the end of fiscal 1982. The liquidity shortage and emerging debt crisis led to debt rescheduling through the Paris Club in November 1983 followed by a London Club debt renegotiation in March 1984. The Paris Club debt rescheduling was repeated in 1984 and 1985. The total effect of the 1983 and 1984 debt reliefs on debt service is estimated at between \$104-109 million during 1983-85. They lowered debt service payments by \$52 million and \$40 million in 1984 and 1985 respectively. Table 7 shows the debt service profile for public and publicly guaranteed debt and projections of Niger's debt servicing indicators.

B. Prospects

Tables A.19 and A.20 together provide a profile of future debt service based on outstanding and disbursed public debt as of the end of 1985 and the assumption of continuing drawdowns of debt already contracted. The levels of future debt service remain as high as the 1982 crisis level for the next three years (above \$100 million and as high as \$122 million in 1987).^{1/} Debt service levels are projected to fall in 1990; and by 1993 they are expected to

^{1/} The 1986 debt service payments do not take into account the effect of the debt relief obtained in November 1985. The effect of the 1985 debt rescheduling is preliminarily estimated at \$30-35 million.

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Table 7

NIGER: Flows of External Public Debt, 1976-1985
(in millions of U.S. dollars)

Year	Debt Out- standing and Net		Debt Service		Net flows of public debt as % of				Debt service as % of			Interest payments as % of		
	Disbursed	Flows	Prin- cipal	Inte- rest	Fixed In- vestment	Gov. Ex- penditure	Budget Deficit	Export Earnings	Gov. Revenue	GDP	Export Earnings	Gov. Revenue	GDP	
1975	91.6	23.2	5.8	2.3	2.8	13.5	25.4	....	5.8	7.7	1.0	1.6	2.2	0.3
1976	111.6	20.2	6.7	2.4	2.0	11.1	18.6	....	5.2	7.9	0.9	1.4	2.1	0.2
1977	129.8	22.9	6.1	3.1	1.9	8.6	16.4	....	4.6	6.0	0.8	1.6	2.0	0.3
1978	118.2	65.6	5.5	3.8	4.1	16.3	25.0	107.2	3.2	4.6	0.6	1.3	1.9	0.3
1979	197.2	102.1	6.4	6.8	4.9	19.3	29.3	152.9	2.7	4.7	0.6	1.4	2.4	0.3
1980	262.8	153.9	22.8	16.1	6.1	23.8	30.7	100.1	6.7	11.2	1.5	2.8	4.6	0.6
1981	398.8	254.9	29.3	33.8	11.7	53.3	49.8	108.2	13.0	22.8	2.9	6.9	12.2	1.7
1982	604.7	48.0	66.6	44.5	2.5	13.1	13.3	35.1	30.0	49.5	5.7	12.0	19.8	2.3
1983	629.2	90.6	23.5	40.6	5.1	37.7	29.4	71.0	17.0	35.5	3.6	10.8	22.5	2.3
1984	694.7	84.9	14.8	38.5	6.0	45.5	36.7	118.9	16.3	33.3	3.8	11.8	24.0	2.7
1985	790.3	30.8	18.4	35.6	1.8	12.3	12.8	38.7	18.3	33.4	3.2	12.1	22.0	2.1
(P R O J E C T I O N S)														
1986	824.4	38.7	70.4	44.3	2.0	....	13.9	44.1	33.6	60.0	5.8	13.0	23.2	2.2
1987	841.9	49.2	80.8	41.0	2.3	....	16.8	53.1	34.3	60.9	5.7	11.6	20.5	1.9
1988	830.1	56.7	78.9	36.6	2.6	....	19.2	64.1	31.0	53.9	5.1	9.8	17.1	1.6
1989	756.8	-30.2	73.2	31.4	-1.2	....	....	....	26.6	46.9	4.3	8.0	14.1	1.3
1990	688.5	-28.4	68.4	25.7	-1.1	....	....	....	22.6	40.6	3.5	6.2	11.1	1.0
1991	629.0	....	59.5	20.7	....	....	....	....	....	....	....	....	....	....
1992	566.9	....	62.2	16.4	....	....	....	....	....	....	....	....	....	....
1993	515.3	....	51.6	12.4	....	....	....	....	....	....	....	....	....	....
1994	463.9	....	45.5	9.7	....	....	....	....	....	....	....	....	....	....

Export earnings include exports of goods and nonfactor services.

Source: USAID/Niger's calculations based on data from Ministry of Finance,
the World Bank, and the IMF.

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FIGURE 15

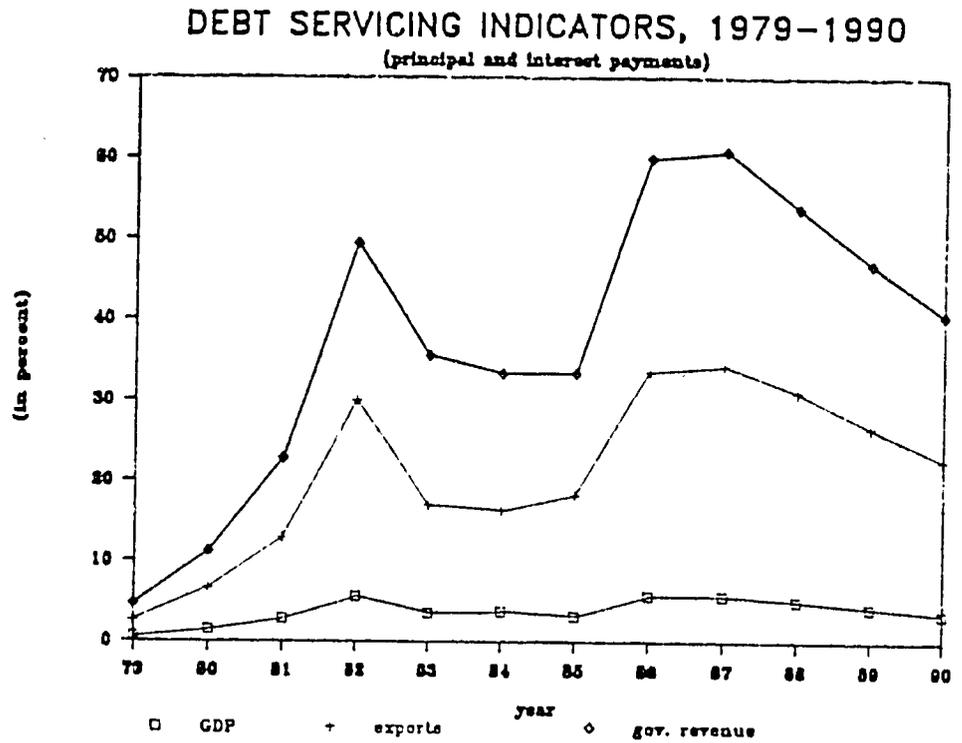
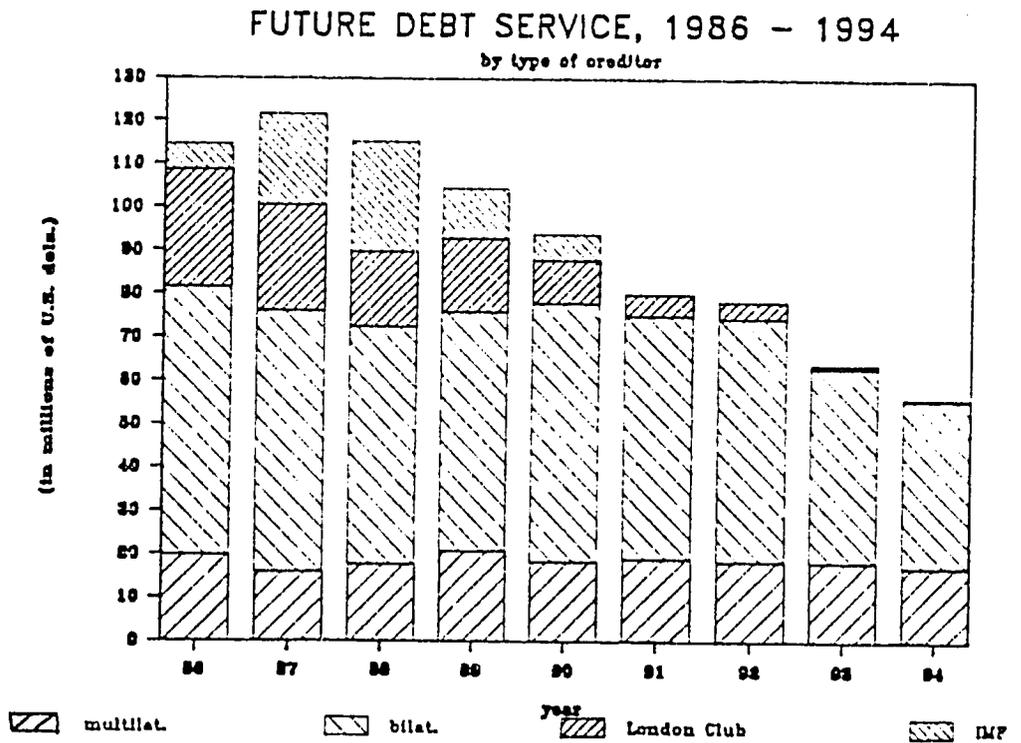


FIGURE 16



be at the 1985 level. Between one-fourth and one-third of the debt service payments from 1989 onward is accounted for by debt previously rescheduled.

Debt service payments to Paris Club creditors will account for 40 percent of total debt service during the period of 1978 to 1989. Its share will go up to more than 50 percent from 1990 onward as the previously rescheduled debt becomes due. The share of debt service payments to other bilateral creditors not participating in the Paris Club (mostly Arab countries) will increase in the future, from 7 percent in 1978 to 17 percent in 1992, and will continue to rise to more than 20 percent by 1994, approximately \$20 million and \$10 million in 1983 and 1984 respectively (less than 1 percent of GDP).

Debt service payments to multilateral lending sources will account for approximately one-third of total debt service payments during the 1987-89 period. Repurchases and charges for the use of the IMF resources will also represent a sizeable portion (11-22 percent) of debt service payments during this period. If the use of the IMF resources continue in the near future at the average of previous stand-by levels (\$16 million), the net resource flows from the IMF will be negative for 1987 and 1988 at the present repurchase schedule.

The prospects for Niger to service its scheduled debt obligations are poor, Niger's debt servicing capacity is very limited because its exports are concentrated in one commodity whose prospects for recovery during the next five years are not good. There are also limited opportunities for increasing government revenue, even with the fiscal reform already adopted in 1984 and 1985 and the institution of a value added tax system in January 1986. The ratio of debt service to exports, in the absence of debt rescheduling, remains high (about 31-34 percent) relative to the country's debt servicing capacity over the next three years. Debt rescheduling is almost inevitable if Niger is to maintain international credit-worthiness, at least for the next three years.

VI. MACROECONOMIC CONSTRAINTS AND IMPLICATIONS FOR A.I.D. DEVELOPMENT STRATEGY

The above analysis suggests four major macroeconomic constraints. These constraints are:

- a high level of debt service obligations relative to the country's debt servicing capacity;
- a weak economic management and public administration together with an excessive demand on public sector resources, particularly from a number of public enterprises;
- a concentration of foreign exchange earnings in one commodity export, which is highly susceptible to international commodity boom and bust and uncertainty of the nuclear energy industry;
- a limited possibility for increasing resource mobilization, both from the public and private sectors;

The debt servicing and economic management constraints require immediate attention. It is near certain that Niger will have to restructure its debt during the next two to three years. While debt rescheduling has its limitations, it does provide a short-term solution to the liquidity problem and

allow the country to pursue more smoothly its adjustment effort and at the same time avoid a confidence crisis both internally and externally. But in order to obtain the needed debt relief, there must exist an appropriate macroeconomic policy framework. Niger has made substantial progress in addressing these two constraints during the last two years and it is continuing to do so. The economic and financial stabilization objective has been achieved mainly with the IMF stand-by arrangements and the debt relief which followed them.

A.I.D.'s contributions to the stabilization objective is through an agricultural reform program and the resources which accompanied the reform effort. In addition to helping the Nigerien Government implement necessary policy changes and in rethinking agricultural policy directions during the past two years, A.I.D.'s assistance has provided resources for the sector while the macroeconomic adjustment process proceeds. Through the A.I.D. Agriculture Sector Development Grant, Niger has been able to continue a number of development activities under an austere climate of budgetary restraints imposed by the macroeconomic situation.

However, demand management alone will not be sufficient to improve economic management and address the protracted payments imbalances and the resource mobilization constraint; some structural changes in the economy will also be required. Three priority areas for structural changes were identified: (1) public resource management, (2) reform of state-owned enterprises, and (3) agricultural policy changes and re-orientation of this sector's investment toward an expanded opportunity for increasing rural income and wealth. The World Bank will be the lead donor agency in addressing these constraints through its recently concluded SAC program. The adopted privatization policy and reform of state-owned enterprises together with technical assistance provided by the World Bank and the IMF in the areas of fiscal and debt management are positive steps in addressing the economic management constraint at the macro-level.

The opportunities for export diversification and increased resource mobilization are limited and any attempts to address these constraints must be considered with a long-term perspective. Uranium exports will continue to be the most important source of export earnings, followed by livestock and other agricultural products (mainly cowpeas, onions, and some vegetables). As a long-term strategy for lowering the country's dependence on uranium as a source for economic growth and development finance, it would be necessary to promote export growth in agriculture and livestock. A re-orientation of investment toward the development of agriculture and livestock, to bring about export diversification and viable import substitution in foodstuffs, is desirable.

As a prerequisite for export diversification, the food self-sufficiency goal in agriculture has to be interpreted more broadly. Food self-sufficiency is a goal that grew out of the drought experience. If it is interpreted narrowly, it implies that a country should be totally independent with respect to food production. In reality, however, there are various means of achieving self-sufficiency which does not imply local production of total cereal consumption need. In terms of economic efficiency and growth opportunities, it is more appropriate to aim for a dynamic agricultural sector with maximum overall production from a combination of agricultural commodities. These commodities may be sold internally or they may serve as a source of foreign exchange earnings. A dynamic agricultural sector would also generate marketable surplus, a necessary condition for any sustainable increased participation from the private sector or cooperatives.

With an economy dominated by subsistence agriculture and a large informal sector, the opportunities for expanding the country's tax base and resource mobilization from the private sector are limited. Despite a strong effort by the Nigerien Government to strengthen its tax administration and introduction of new fiscal measures, recent experience indicates that any increases in government revenue in the near future will be modest. The resource mobilization effect of the new policy direction toward privatization remains to be seen. In order to increase resource mobilization from the rural sector, an agricultural productivity increase is essential for the generation of surplus to allow the transformation of the subsistence economy to a more market-oriented economy in which private sector can play a bigger role.

As an overall strategy for addressing Niger's short and medium-term financial constraint imposed by the debt service obligations and the management constraint, A.I.D. assistance will focus on supporting policies which are conducive to structural changes in the priority areas mentioned above. Niger's present macroeconomic policy environment is generally sound and, to most observers, it is one of a few sub-Saharan African countries where serious and sustainable policy dialogue has been productive as evidenced by USAID's existing Agriculture Sector Development Grant. With an acceptable macroeconomic policy framework, A.I.D.'s efforts will be concentrated in addressing sectoral policies and adjustments with the objectives of better public resource management and increased efficient use of resources in the chosen sectors, as well as expanding opportunity for resource mobilization from the private sector. Improved public resource management and more efficient use of resources implies restructuring spending in the current budget and better investment planning and choice of projects. Increased opportunity for more resource mobilization from the private sector means less government regulations and controls, and a better economic incentive system.

USAID has chosen two important sectors under the policy-cum-structural change strategy: agriculture/rural sector and health/population sector. The agricultural/rural sector is chosen because of its importance both in terms of potential future growth and because a majority of the country's population depends on agricultural production. The health/population sector is chosen because good health is an important part of human capital accumulation, an essential component for long-term growth and development. Good health is a prerequisite for other economically productive activities. Sound population policy has important policy implications on the demand for the country's limited future resources and on Niger's fragile natural environment.

Policy and structural adjustment also require institutions which can implement the reform measures as well as monitor and evaluate the effects of such reform. Developing policy analytic capacity is also important for future policy formulation and modifications if necessary. It will also contribute to better resource planning and management. The lack of policy analytic capacity may have contributed to some of the delays in adjustments in the past. Strengthening institutions in the agricultural and health/population sectors in the areas of policy analysis and resource planning and management will be an important part of the policy-cum-structural change strategy.

The emphasis on policy factors across the sector suggests that a more appropriate and efficient A.I.D. assistance modality be in the form of non-project sector assistance. Resources from sector assistance will be programmed for support of reform and policy-related institutional strengthening

objectives. The local currency from sector assistance will be used for conditional support of Niger's development budget in the chosen sector. USAID's conditional support of local currency in the development budget could also provide opportunities to assist the Nigerien Government in rationalizing and restructuring public investment priority in the sector. USAID's experience under the Agriculture Sector Development Grant indicates that such a non-project sector assistance approach is an effective delivery mechanism of A.I.D. assistance, and is appropriate for Niger under present macroeconomic and financial constraints.

Beyond the above broad strategy to address the short- and medium-term macroeconomic constraints, there are also long-term obstacles to economic growth at various sectoral levels. The most important of these relate to: (1) low productivity in agriculture due to a poor resource base and a lack of effective technologies; (2) growing population pressure on Niger's fragile resource base; and (3) limited employment opportunity.

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STATISTICAL APPENDIX

TABLE A.1

NIGER: SUPPLY AND USE OF RESOURCES AT CURRENT MARKET PRICES, 1976-1985
(in billions of CFA francs)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
SUPPLY OF RESOURCES:	239.9	308.6	374.9	483.3	602.8	733.6	807.9	849.7	869.3	794.9	911.1
Gross domestic product	180.4	237.9	288.8	359.1	443.2	536.2	589.9	642.7	674.6	615.4	705.1
Imports of goods and nonfactor services	59.5	70.7	86.1	124.2	159.6	197.4	218.0	207.0	194.7	179.5	206.0
USE OF RESOURCES:	247.8	321.6	382.3	493.2	611.5	740.4	807.4	796.5	816.7	794.4	933.4
Consumption	186.0	226.9	268.8	332.8	393.1	489.7	606.4	590.3	631.6	682.1	744.6
Private	162.3	198.8	237.7	298.7	352.1	435.7	541.9	579.4	639.6	639.7	665.0
Public	23.7	28.1	31.1	34.1	41.0	54.0	64.5	71.0	77.2	79.3	89.0
Gross fixed capital formation	36.7	43.6	65.8	90.7	112.8	136.7	130.0	120.5	91.2	81.6	105.4
Private	20.9	28.5	42.1	66.3	80.5	89.5	65.0	56.4	46.6	38.7	47.9
Public	15.8	15.1	23.7	24.4	32.3	47.2	65.0	64.1	44.6	42.9	57.5
Changes in stocks	6.3	19.1	17.7	22.9	28.2	32.4	-6.0	18.2	-14.0	-73.4	6.7
Exports of goods and nonfactor services	34.6	47.1	53.7	71.2	109.7	128.8	142.0	131.6	152.5	147.0	134.0
RESOURCE GAP (deficit -)*	-24.9	-23.6	-32.4	-53.0	-49.9	-68.6	-76.0	-75.4	-42.2	-32.5	-72.0
Resource gap as % of GDP	-13.8	-9.9	-11.2	-14.8	-11.3	-12.8	-12.9	-11.7	-6.3	-5.3	-10.2
Gross fixed capital formation as percentage of GDP	20.3	18.3	22.8	25.3	25.5	25.5	22.0	18.7	13.5	13.3	14.9

*Resource gap is the difference between exports and imports of goods and nonfactor services.

Source: MINISTRY OF PLANNING

11/22/85

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TABLE A.2

NIGER: GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES, 1976-1985
(in billions of CFA francs)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Rural Sector	88.6	121.4	145.7	165.1	188.7	222.1	269.3	299.5	311.5	268.2	322.1
Agriculture		64.5	78.1	87.3	96.5	120.8	145.0	156.6	159.7	153.1	207.5
Livestock		42.4	52.5	61.4	72.2	89.0	104.1	120.8	128.0	92.7	106.0
Forestry & Fishing		12.5	15.1	17.4	20.0	18.4	20.2	22.1	23.8	22.4	24.6
Mining	10.6	10.6	17.2	37.0	63.1	67.4	52.0	49.8	55.5	53.6	59.0
Industry and Energy	14.7	15.5	16.2	16.4	19.4	22.2	27.0	32.4	36.9	35.7	38.5
Construction & Public Works	5.1	6.8	10.2	17.1	24.6	32.1	26.6	24.8	23.9	19.2	20.0
Commerce, Transport, & Services	38.5	54.6	66.9	84.1	103.2	125.5	147.6	155.1	165.0	161.9	171.6
Commerce		29.7	33.6	40.7	51.1	62.1	69.1	72.0	78.2	75.6	79.4
Transport		8.7	10.4	14.6	18.0	22.6	24.3	28.5	26.3	26.9	30.5
Services		16.2	22.9	28.8	34.1	40.8	54.2	55.6	60.5	59.4	61.7
Government	16.0	18.8	20.9	22.8	25.1	33.8	39.6	45.6	49.8	52.8	55.0
GDP at factor cost	173.5	227.7	277.1	343.5	424.1	509.1	582.1	611.4	646.6	591.4	680.1
Import Taxes & Duties	6.9	10.2	11.7	15.6	19.1	27.1	27.8	31.3	28.0	24.0	25.0
GDP at current market prices	180.4	237.9	288.8	359.1	443.2	536.2	599.9	642.7	674.6	615.4	705.1
Modern sector	130.8	170.7	203.3	246.6	285.4	345.8	404.0	449.6	474.4	423.7	493.7
Traditional sector	49.6	67.2	85.5	112.5	157.8	190.4	185.9	193.1	200.2	191.7	211.4
Implicit GDP deflator (1976=100)	85.0	100.0	115.4	133.9	144.1	164.0	182.1	199.9	215.5	234.3	251.5
GDP at constant 1976 prices	209.8	257.9	250.3	268.2	307.6	327.0	323.9	321.4	313.0	262.7	280.0
Annual rate of growth of GDP		13.4	5.2	7.2	14.7	6.3	-0.9	-0.8	-2.6	-16.1	6.6
Annual rate of growth of GDP deflator		16.3	15.4	16.0	7.6	13.8	11.0	9.8	7.8	8.7	7.5

Source: MINISTRY OF PLANNING

TABLE A.3

NIGER: GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES, 1976-1985
(ANNUAL PERCENTAGE CHANGE)

	75-76	76-77	77-78	78-79	79-80	80-81	81-82	82-83	83-84	84-85
Rural Sector	37.0	20.0	14.0	13.6	20.9	18.1	11.2	4.0	-13.9	23.8
Agriculture		21.1	11.8	10.5	25.2	20.0	9.0	2.0	-4.1	35.5
Livestock		23.8	17.0	17.6	23.3	17.0	16.0	6.0	-27.6	7.9
Forestry & Fishing		20.8	15.2	14.9	-8.0	9.8	9.4	7.7	-5.9	9.8
Mining	0.0	62.3	115.1	70.5	6.8	-22.8	-4.2	11.4	-3.4	10.6
Industry and Energy	5.4	4.5	1.2	18.3	14.4	21.6	20.0	13.9	-3.3	7.1
Construction & Public Works	33.3	50.0	67.6	43.9	30.5	-17.1	-6.8	-3.6	-19.7	23.1
Commerce, Transport, & Services	41.8	22.5	25.7	22.7	21.6	17.6	7.8	6.2	-4.2	6.0
Commerce		13.1	21.1	25.6	21.5	11.3	4.2	8.6	-3.3	5.0
Transport		19.5	40.4	23.3	25.6	7.5	17.3	-0.7	-4.9	13.4
Services		41.4	25.8	18.4	19.6	32.8	8.1	6.7	-5.0	3.5
Government	17.5	11.2	9.1	10.1	34.7	17.2	15.7	8.7	6.0	4.0
EDP at factor cost	31.2	21.7	24.0	23.5	20.0	10.4	9.8	5.8	-8.5	15.0
Import Taxes & Duties	47.8	14.7	33.3	22.4	41.9	2.6	12.6	-10.5	-14.3	4.2
EDP at current market prices	31.9	21.4	24.3	23.4	21.0	10.0	9.0	5.0	-8.8	14.6
Modern sector	30.5	19.1	21.3	15.7	21.2	16.8	11.3	5.5	-10.7	16.5
Traditional sector	35.5	27.2	31.6	40.3	20.7	-2.4	3.9	3.7	-4.2	10.3
Implicit EDP deflator (1976=100)	16.3	15.4	16.0	7.6	13.8	11.0	9.8	7.8	8.7	7.5
EDP at constant 1976 prices	13.4	5.2	7.2	14.7	6.3	-0.9	-0.8	-2.6	-16.1	6.6

TABLE A.4

NIGER: STRUCTURE OF PRODUCTION, 1975-1985
(in percent)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Rural Sector	49.1	51.0	50.5	46.3	42.6	42.5	45.7	46.6	46.2	47.6	47.1
Agriculture		27.1	27.0	24.3	21.8	22.5	24.6	24.4	23.7	24.5	24.4
Livestock		17.8	18.2	17.1	16.3	16.6	17.6	18.6	19.0	18.1	14.2
Forestry & Fishing		5.3	5.2	4.8	4.5	3.4	3.4	3.4	3.5	3.6	3.5
Mining	5.9	4.5	6.0	10.3	14.2	12.6	8.8	7.7	8.2	6.7	6.4
Industry and Energy	8.1	6.5	5.6	4.6	4.4	4.1	4.6	5.0	5.5	5.8	5.5
Construction & Public Works	2.8	2.9	3.5	4.8	5.6	6.0	4.5	3.9	3.5	3.1	3.1
Commerce, Transport, & Services	21.3	23.0	23.2	25.4	23.3	23.4	25.0	24.8	25.1	26.3	24.7
Commerce		12.5	11.6	11.3	11.5	11.5	11.7	11.2	11.6	12.7	11.7
Transport		3.7	3.6	4.1	4.1	4.2	4.1	4.4	4.2	4.4	4.3
Services		6.8	7.9	6.0	7.7	7.6	9.2	9.1	9.3	9.2	8.9
Government	8.9	7.9	7.2	6.3	5.7	6.3	6.7	7.1	7.4	8.1	7.7
GD ^P at factor cost	96.2	95.7	95.9	95.7	95.7	94.9	95.3	95.1	95.8	96.1	96.5
Import Taxes & Duties	3.8	4.3	4.1	4.3	4.3	5.1	4.7	4.9	4.2	3.9	3.5
GD ^P at current market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Modern sector	72.5	71.8	70.4	68.7	64.4	64.5	68.5	70.0	70.3	69.8	70.0
Traditional sector	27.5	28.2	29.6	31.3	35.6	35.5	31.5	30.0	29.7	31.2	30.0

Source: TABLE 2

TABLE A.5

NIGER: INDICES OF PRODUCTION, YIELD, AND OFFICIAL PRODUCER PRICES
OF PRINCIPAL AGRICULTURAL CROPS, 1976-1985
(1976 = 100)

	1976	1977	1978	1979	1980	1981	1982	1983	1984
Millet:									
Production	100.0	110.9	110.2	123.2	133.9	128.9	126.9	130.0	76.4
Average Yield	100.0	102.7	101.4	106.5	110.1	107.3	104.6	104.8	63.8
Official Producer Price	100.0	120.0	160.0	160.0	160.0	220.0	320.0	320.0	400.0
Sorghum:									
Production	100.0	117.1	129.3	122.3	128.2	112.2	124.4	126.1	83.6
Average Yield	100.0	98.4	99.4	104.9	102.7	70.3	67.3	69.6	46.8
Official Producer Price	100.0	125.0	175.0	175.0	175.0	250.0	350.0	350.0	500.0
Rice:									
Production	100.0	93.1	110.3	82.8	106.9	137.9	141.4	148.3	175.9
Average Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Official Producer Price	100.0	100.0	115.4	115.4	141.0	175.5	217.9	217.9	217.9
Cowpeas:									
Production	100.0	94.5	124.2	138.8	121.5	121.9	124.2	122.8	89.0
Average Yield	100.0	109.0	109.2	123.1	92.0	83.9	75.8	66.1	49.6
Official Producer Price	100.0	100.0	150.0	150.0	150.0	0.0	283.3	300.0	400.0
Groundnuts:									
Production	100.0	103.8	126.6	112.7	159.5	129.1	111.4	93.7	39.2
Average Yield	100.0	97.8	98.9	127.4	137.7	101.3	96.1	96.6	45.0
Official Producer Price	100.0	112.5	125.0	125.0	125.0	125.0	225.0	225.0	250.0
Cotton:									
Production	100.0	53.4	61.6	42.5	39.7	24.7	27.4	54.8	89.0
Average Yield	100.0	50.1	72.0	36.7	33.7	16.5	13.1	30.3	34.1
Official Producer Price	100.0	117.0	131.9	131.9	131.9	170.2	255.3	255.3	255.3

Source: USAID/Niger's calculations based on data from Min. of Agriculture, Min. of Commerce, and Min. of Planning.

TABLE A.6

NIGER: INDICES OF HERD SIZE, 1976-1984
(1976 = 100)

	1976	1977	1978	1979	1980	1981	1982	1983	1984
Cattle	100.0	111.0	116.8	121.9	125.6	126.0	130.6	131.8	66.0
Sheep	100.0	112.1	116.4	121.5	126.3	135.4	140.8	146.5	n.a.
Goats	100.0	110.0	112.7	115.6	116.4	119.7	122.7	125.8	n.a.
Camels	100.0	129.7	132.5	135.3	138.2	141.0	143.8	146.6	121.6
Other	100.0	119.0	121.4	123.6	126.1	128.7	130.9	133.3	101.9

NIGER: RATES OF GROWTH OF HERD SIZE, 1976-1984
(in percent)

	1976	1977	1978	1979	1980	1981	1982	1983	1984
Cattle		11.0	5.2	4.4	3.0	1.9	2.0	1.0	-50.0
Sheep		12.1	3.8	4.4	4.0	7.2	4.0	4.0	
Goats		10.0	2.4	2.6	2.5	1.1	2.5	2.5	
Camels		29.7	2.2	2.1	2.1	2.0	2.0	2.0	-17.1
Other		19.0	2.0	1.8	2.1	2.0	1.7	1.8	-23.6

Source: USAID/Niger's calculations based data from Min. of Planning.

TABLE A.7

NIGER: URANIUM PRODUCTION AND EXPORTS, 1975 - 1985

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Production (in tons)	1306	1460	1441	2061	3615	4132	4360	4250	3400	3274	3390
Exports:											
Quantity (in tons)	1548	1498	1463	2216	3421	4255	4686	3800	4000	3300	3500
Value (in billions of CFAF)	11.9	20.5	29.2	53.4	83.6	100.8	98.0	91.5	110.0	97.7	104.0
End-of-year stock (in tons)	....	....	271	296	603	777	173	598	511	5	...
Price (CFA francs/kg.)											
Minegate	10000	14000	20000	23500	24500	24500	20000	24000	27500	29250	29500
Unit value of exports	7687	13685	19959	24097	24437	23690	20913	24079	27500	29606	29714
Uranium exports as % of total merchandise exports	40.1	50.0	60.5	82.3	81.0	82.8	74.4	75.6	77.9	72.2	83.5
Uranium exports as % of GDP	6.6	8.6	10.1	14.9	18.9	18.8	16.6	14.2	16.3	15.9	14.7
Uranium receipts as % of domestic revenue	....	....	17.9	19.7	21.0	14.9	14.0	8.6	9.2	9.0	9.3

Source: USAID/Niger's calculations based on data from Min. of Planning.

TABLE A.8

NIGER: INDUSTRIAL OUTPUT, VALUE ADDED, AND TURNOVER, 1978 - 1984
(in millions of constant 1978 CFA francs)

	1978	1979	1980	1981	1982	1983	1984
Output	7780	11566	10313	12587	12464	16312	27726
Value added	2908	4825	4577	5202	5294	5482	8136
Turnover	9658	15755	14411	16117	16149	15860	26200
Investment	1080	2066	3535	2182	2029	2658	1322
Rate of growth							
Output		48.7	-10.8	22.0	-1.0	30.9	70.0
Value added		65.9	-5.1	13.7	1.8	3.6	48.4
Turnover		63.1	-8.5	11.8	0.2	-1.8	65.2
Investment		91.3	71.1	-36.3	-7.0	31.0	-50.3

NIGER: INDICES OF INDUSTRIAL OUTPUT, VALUE ADDED, AND TURNOVER, 1978 - 1984

	1978	1979	1980	1981	1982	1983	1984
Output	75.4	112.1	100.0	122.0	120.9	158.2	268.8
Value added	63.5	105.4	100.0	113.7	115.7	119.8	177.8
Turnover	67.0	109.3	100.0	111.8	112.1	110.1	181.8
Investment	30.6	58.4	100.0	61.7	57.4	75.2	37.4

Source: USAID/Niger's calculations based on data from Min. of Planning.

TABLE A.9

NIGER: CAPACITY UTILIZATION OF SELECTED INDUSTRIES, 1975 - 1984
(in percent)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Vegetable oil	50.8	21.6	11.4	22.9	...	1.8	1.2	2.1	3.4	1.2
Flour	20.0	60.0	17.5	37.5	33.3	9.1	27.3	3.0	...	...
Rice processing	21.0	60.0	54.0	23.0	73.0	31.5	28.5	25.5	28.0	37.0
Cotton ginning	39.5	55.5	35.5	...	26.7	20.0	17.0	10.9	11.5	20.0
Cement	33.6	70.4	71.6	81.6	84.8	100.0	91.0	36.8	76.0	63.0
Brickmaking	100.0	89.3	90.0	89.3	54.8	54.8	54.8	12.7	21.5	2.5
Textile	94.0	90.0	57.0	...	100.0	84.9	100.0	100.0	95.4	84.3
Tannery	56.9	52.2	...	...	59.0	86.3	71.0	68.6	87.2	100.0

Source: USAID/Niger's calculations based on data from Min. of Planning.

TABLE A.10

NIGER: CENTRAL GOVERNMENT FINANCE, 1976 - 1985
(in billions of CFH francs)

	1976	1977	1980	1981	1982	1983	1984	1985
I. TOTAL REVENUE	45.8	59.9	73.3	75.2	73.6	68.8	70.0	68.0
of which uranium-related	(12.2)	(12.7)	(11.2)	(10.8)	(7.0)	(5.5)	(5.6)	(6.0)
Tax revenue	38.6	51.1	65.2	64.1	65.9	62.6	61.1	60.7
Nontax revenue	6.9	8.6	8.1	11.1	7.9	6.2	8.9	7.3
II. TOTAL EXPENDITURE	59.2	74.1	105.8	139.2	118.8	117.4	191.2	191.4
Current expenditure	31.5	37.7	45.8	50.8	57.2	55.4	65.2	70.4
Interest payments	4.2	3.6	4.5	6.5	7.1	9.2	13.6	17.1
Wages and salaries	10.8	13.5	16.8	18.9	20.3	22.2	23.1	25.3
Materials, transp. & housing	8.7	12.0	13.8	13.6	15.1	13.6	15.6	16.4
Subsidies and transfers	7.9	8.6	10.7	11.8	10.7	10.2	12.9	11.6
Development expenditure	27.7	36.4	46.0	70.2	37.9	55.7	32.4	30.0
Budget--FMI	14.1	17.6	23.9	26.9	11.7	9.5	5.9	5.0
Extrabudgetary	13.6	18.8	22.1	43.3	26.2	49.2	26.5	25.0
Other expenditure			14.0	18.2	23.7	3.3	3.6	1.0
III. BUDGET DEFICIT (I-II) (commitment basis)	-13.5	-14.2	-32.5	-64.0	-45.0	-48.6	-31.2	-33.4
IV. CHANGE IN ARREARS (- decrease)		1.9	2.7	2.8	14.4	-1.7	-12.4	-4.1
V. OTHER ADJUSTMENTS						1.9	0.9	
VI. BUDGET DEFICIT (III+IV+V) (cash basis)	-13.5	-12.4	-29.8	-61.2	-30.6	-46.4	-42.7	-37.5
DEFICIT FINANCING:		12.4	29.8	61.2	30.6	46.4	42.7	37.5
External financing		13.8	16.2	40.4	20.2	42.3	18.6	10.5
Drawings		14.3	22.1	43.3	26.2	49.9	32.9	30.0
Repayments		-0.5	-3.9	-2.9	-6.0	-7.6	-14.3	-19.5
Domestic financing		-1.4	11.6	20.8	10.4	6.1	8.2	10.0
Banking system		-2.0	5.1	11.3	5.9	1.7	5.3	9.0
Other--nonbanking system		0.6	6.5	9.5	4.5	4.4	2.9	1.0
Debt relief							15.9	17.0
FINANCING GAP								

Source: MINISTRY OF FINANCE and MINISTRY OF PLANNING

TABLE A.11

NIGER: FUNCTIONAL CLASSIFICATION OF CURRENT EXPENDITURE
FISCAL 1980-1986

	Budgeted		Average annual rate of change		Average annual rate of change				
	1980	1981	1982	1983	1984	1985	1986	1980-84	1980-86
(in millions of CFA francs)									
Agriculture	2,656	2,672	2,968	3,163	3,584	2,393	2,317	7.4%	-2.3%
Mining	657	705	632	486	473	213	191	-6.2%	-20.6%
Roads	1,247	1,635	1,506	1,446	1,448	1,470	1,336	3.7%	-1.1%
Transport and Communication	1,070	1,071	1,115	1,124	1,555	1,569	1,680	9.3%	7.5%
National Defense	3,219	3,631	3,792	4,203	4,428	4,711	4,956	8.0%	7.2%
Education	11,409	11,652	14,316	15,078	16,039	13,446	13,548	8.5%	2.9%
Health	3,143	3,386	3,625	4,018	4,290	4,833	5,077	7.8%	8.0%
Other Social Services	551	571	576	652	669	772	781	4.9%	5.8%
General Public Services	13,086	13,020	13,106	12,985	13,402	13,396	14,126	0.6%	1.3%
Other Unallocable Expenditures	8,758	12,467	15,639	12,286	19,332	27,597	27,387	19.8%	19.0%
of which: interest payments	(4,545)	(6,500)	(7,097)	(9,240)	(13,600)	(17,100)	(16,300)	27.0%	
Total Current Expenditure	45,796	50,750	57,275	55,441	65,200	70,400	71,400	8.8%	7.4%
(as % of total current expenditure)									
Agriculture	5.80	5.27	5.18	5.71	5.47	3.40	3.25		
Mining and Industries	1.43	1.39	1.10	0.88	0.73	0.30	0.27		
Roads	2.72	3.22	2.63	2.61	2.22	2.09	1.87		
Transport and Communication	2.34	2.11	1.95	2.03	2.38	2.23	2.35		
National Defense	7.03	7.15	6.62	7.58	6.79	6.69	6.94		
Education	24.91	22.96	25.00	27.20	24.60	19.10	18.97		
Health	6.86	6.67	6.33	7.25	6.58	6.87	7.11		
Other Social Services	1.20	1.13	1.01	1.18	1.03	1.10	1.09		
General Public Services	28.57	25.66	22.88	23.42	20.56	19.03	19.79		
Other Unallocable Expenditures	19.12	24.45	27.31	22.16	29.65	39.20	38.36		
of which: interest payments	(9.92)	(12.81)	(12.39)	(16.67)	(20.86)	6.46	6.37		
Total Current Expenditure	100.00	100.00	100.00	100.00	100.00	100.00	100.00		

Source: IMF, Ministry of Finance, and USAID/Niger's estimates

Table A.12

NIGER: FUNCTIONAL CLASSIFICATION OF BUDGETARY CAPITAL EXPENDITURE
FISCAL 1980-1986

	1980	1981	1982	1983	1984	Average annual rate of change 1980-84
(in millions of CFA francs)						
Agriculture	2,711	2,553	1,752	486	602	-37.6%
Mining and Industries	2,503	2,006	227	406	408	-45.3%
Water and Electricity	1,398	1,685	822	1,026	275	-40.7%
Roads	1,238	1,934	516	1,436	1,561	5.8%
Other Economic Services	3,378	3,971	1,105	626	219	-68.4%
National Defense	815	679	422	82	....	....
Education	6,363	8,054	2,260	2,506	1,081	-44.3%
Health	835	1,563	1,331	411	181	-38.2%
Other Social Services	1,488	2,120	890	128	337	-37.1%
General Public Services	2,533	1,753	1,770	1,874	355	-49.1%
Unallocable Expenditures	649	631	573	562	....	....
Total Budgetary Cap. Exp.	23,911	26,949	11,668	9,543	5,019	-39.0%
(as % of total budgetary capital exp.)						
Agriculture	11.34	9.47	15.02	5.09	11.99	
Mining and Industries	10.47	7.44	1.95	4.25	8.13	
Water and Electricity	5.85	6.25	7.04	10.75	5.48	
Roads	5.18	7.18	4.42	15.05	31.10	
Other Economic Services	14.13	14.74	9.47	6.56	4.36	
National Defense	3.41	2.52	3.62	0.86	0.00	
Education	26.61	29.89	19.37	26.26	21.54	
Health	3.49	5.80	11.41	4.31	3.61	
Other Social Services	6.22	7.87	7.63	1.34	6.71	
General Public Services	10.59	6.50	15.17	19.64	7.07	
Unallocable Expenditures	2.71	2.34	4.91	5.89	0.00	
Total Budgetary Cap. Exp.	100.00	100.00	100.00	100.00	100.00	

Source: IMF, Ministry of Finance, and USAID/Niger's estimates

TABLE A.13

NIGER: CENTRAL GOVERNMENT REVENUE
(in millions of CFA francs)

	1977	1978	1979	1980	1981	1982	1983	Prel. Estimates		Av. annual rate of change 1980-84
								1984	1985	
I. TAX REVENUE	30,307	38,810	51,070	65,230	64,134	65,863	62,575	61,453	60,590	-1.5%
1. Income and Profit Taxes	10,458	12,592	17,267	18,402	15,478	13,898	14,295	14,184	13,720	-6.5%
Industrial & commercial (of which: mining)	6,266 (4900)	8,358 (7422)	12,722 (8511)	12,758 (3959)	10,009 (1813)	7,994 (230)	7,434	6,676	....	-16.2%
Professional income	6	13	16	20	24	48	57	69	....	31.0%
Wages & salaries	1,305	1,538	2,109	2,687	3,044	3,191	3,434	3,708	....	9.1%
Property income	1,397	1,614	1,734	1,313	1,036	857	990	1,164	....	-3.0%
General income*	1,424	1,069	686	1,624	1,365	1,808	2,380	2,567	....	11.4%
2. Payroll Tax (Employers)	50	88	72	119	141	109	149	199	300	12.9%
3. Property Taxes	1,025	993	1,506	2,326	2,491	1,431	1,354	1,346	1,350	-15.2%
4. Taxes on Goods and Services	6,835	9,638	12,779	16,615	16,954	18,147	19,953	20,631	20,420	5.4%
Turnover taxes	3,384	5,900	7,198	9,405	9,892	10,810	10,581	10,167	10,000	1.2%
Excise taxes (of which: mining)	3,145 (1511)	3,279 (1259)	5,107 (3165)	6,748 (4477)	6,517 (4130)	6,744 (4094)	8,729 (4525)	9,808 (4525)	10,450	9.3%
Other	356	459	474	462	545	593	643	656	656	8.2%
5. International Trade Taxes	11,889	15,499	19,446	27,768	29,070	32,278	26,794	25,093	24,800	-2.5%
Import duties	9,972	13,325	16,900	24,360	24,881	28,126	21,904	20,233	20,000	-3.7%
Export duties (of which: mining)	1,680 (283)	1,945 (288)	2,299 (611)	3,148 (996)	3,920 (1186)	3,865 (816)	4,625 (1012)	4,265 (1114)	4,200	6.1%
Stamp duty	237	229	247	260	269	287	265	595	600	18.6%
II. NONTAX REVENUE	7,410	6,940	8,800	8,063	11,085	7,938	6,236	8,520	7,390	1.1%
TOTAL REVENUE	37,717	45,750	59,870	73,293	75,219	73,801	68,811	69,973	67,980	-0.9%
MEMORANDUM ITEMS:										
Uranium revenue	6,746	9,019	12,587	10,932	10,529	6,311	6,311	6,311	6,311	-11.0%
Non-uranium revenue	30,971	36,731	47,283	62,361	64,690	67,490	62,500	63,662	61,669	0.4%

Source: Ministry of Finance, IMF, and USAID/Niger's estimates

TABLE A.14

NIGER: COMPOSITION OF GOVERNMENT REVENUE
FISCAL 1977-1985

	1977	1978	1979	1980	1981	1982	1983	Prel. Estimates	
								1984	1985
	(as percentage of GDP)								
Taxes on income and profit	3.63	3.51	3.90	3.43	2.62	2.16	2.12	2.30	1.95
Taxes on goods and services	2.39	2.68	2.89	3.10	2.87	2.82	2.96	3.35	2.90
Taxes on international trade	4.13	4.32	4.39	5.19	4.93	5.02	3.97	4.08	3.52
Taxes on property	0.36	0.28	0.34	0.43	0.42	0.22	0.21	0.22	0.19
Revenue from uranium	2.34	2.51	2.64	2.04	1.78	0.98	0.94	1.03	0.90
	(as percentage of total revenue)								
Taxes on income and profit	27.73	27.52	29.84	25.11	20.58	18.83	20.77	20.27	20.18
Taxes on goods and services	18.25	21.07	21.34	22.67	22.54	24.59	29.00	29.46	30.04
Taxes on international trade	31.52	33.88	32.48	37.89	38.65	43.74	38.94	35.86	34.48
Taxes on property	2.72	2.17	2.52	3.17	3.31	1.94	2.01	1.92	1.95
Revenue from uranium	17.89	19.71	21.62	14.92	14.00	8.55	9.17	9.02	9.28

TABLE A.15

NIGER: COMPARISON OF ACTUAL AND PLANNED INVESTMENT EXPENDITURE
DURING THE FIVE-YEAR PLAN, 1979-1983
(in billions of CFA francs)

SECTOR	Plan targets for public investment 1979-83	Actual Spending in current prices					Total spending in constant 1979 CFAF 1979-1983	Ratio of actual to planned spending 1979-1983	Actual spending allocations (in %) 1979-1983	Planned invest alloca (in %) 1979-83
		1979	1980	1981	1982	1983				
I. DIRECTLY PRODUCTIVE SECTOR	175.98	27.64	36.85	42.55	31.50	35.40	140.09	0.80	38.49	21.85
Rural sector	92.04	9.81	13.32	16.74	15.54	18.31	58.22	0.63	15.99	27.00
Mining, energy, and industry	70.21	12.88	19.70	17.10	11.50	15.10	62.12	0.88	17.07	11.00
Commerce & tourism	13.73	4.95	3.83	8.71	4.46	1.99	19.76	1.44	5.43	3.85
II. ECONOMIC INFRASTRUCTURE	67.76	17.98	29.37	32.34	23.50	10.42	97.77	1.44	26.86	17.62
Roads & transport	48.55	13.65	24.25	15.61	20.16	16.88	73.14	1.51	20.09	12.63
Telecommunications	12.77	4.33	4.12	16.73	3.34	1.54	24.63	1.93	6.77	3.99
III. SOCIAL SERVICES	114.44	11.44	24.18	25.99	25.25	14.49	81.16	0.71	22.30	29.77
Education	65.86	7.58	14.20	14.49	15.47	6.84	47.26	0.72	12.98	17.14
Health	18.97	1.36	1.26	3.13	2.95	1.04	7.77	0.41	2.13	4.90
Water supply	24.42	1.58	3.41	4.41	5.63	3.19	14.26	0.58	3.92	6.35
Housing & urbanization	5.19	0.92	5.31	3.96	1.20	3.42	11.87	2.29	3.26	1.37
IV. ADMINISTRATIVE INFRASTRUCTURE	26.27	8.28	7.08	13.93	13.09	4.50	37.98	1.45	10.43	6.99
V. OTHER EXPENDITURE		0.59	1.03	0.81	0.87	6.33	7.00	....	1.92	
TOTAL	364.45	65.93	97.51	115.62	94.21	79.14	364.00	0.95	100.00	100.00

Annual percentage changes in GDP deflator are used to convert 1980-1983 spending to constant 1979 CFA francs. The annual percentage changes are as follows: 1980, 13.8%; 1981, 11.0%; 1982, 9.8%; and 1983, 7.8%.

Source: MINISTRY OF PLANNING AND MINISTRY OF FINANCE

Dec. 27, 1985

TABLE A.16

NIGER: PUBLIC INVESTMENT EXPENDITURE IN PROGRAM OF CONSOLIDATION, 1984-1985
(in millions CFA francs)

SECTOR	Planned Expenditure (in constant 1984 CFAF)			Actual Expenditure (at current prices)			Ratio of actual to planned spending (const. 1984 CFAF) 1984-1985	Allocation of spending (in %)	Allocat plann expendi (in %)
	TOTAL	1984	1985	TOTAL	1984	1985			
DIRECTLY PRODUCTIVE SECTORS	59,268	27,556	31,712	44,510	21,410	23,100	0.72	38.01	40.1
Agriculture and rural dev.	43,368	21,656	21,712	32,100	16,800	15,300	0.72	27.41	29.1
Mining, industry & energy*	15,900	5,900	10,000	12,410	4,610	7,800	0.75	10.60	10.8
SOCIAL SERVICES	46,391	21,754	24,637	24,580	12,870	11,710	0.51	20.99	31.5
Education and training	10,857	4,152	6,705	6,200	4,100	2,100	0.56	5.30	7.3
Health	5,693	2,551	3,142	2,300	1,440	860	0.39	1.96	3.8
Housing and urban dev.	7,925	3,140	4,785	1,480	1,480	...	0.19	1.26	5.3
Water Supply	21,916	11,911	10,005	14,600	5,850	8,750	0.64	12.47	14.9
INFRASTRUCTURE	39,807	14,878	24,929	36,600	15,190	21,420	0.88	31.26	27.0
Transport	28,900	10,300	18,600	28,900	12,820	16,080	0.96	24.68	19.6
Telecommunications	8,407	3,578	4,829	5,200	1,560	3,640	0.59	4.44	5.7
Government building	2,500	1,000	1,500	2,500	800	1,700	0.95	2.14	1.70
OTHER EXPENDITURE	1,586	662	924	11,400	2,230	9,170	6.78	9.74	1.00
TOTAL	147,052	64,850	82,202	117,090	51,690	65,460	0.77	100.00	100.00

*including private investment

Source: MINISTRY OF PLANNING, PROGRAMME INTERIMAIRE DE CONSOLIDATION, 1984 - 1985 and
MINISTRY OF FINANCE.

TABLE A.16

NIGER: PUBLIC INVESTMENT EXPENDITURE IN PROGRAM OF CONSOLIDATION, 1984-1985
(in millions CFA francs)

SECTOR	Planned Expenditure (in constant 1984 CFAF)			Actual Expenditure (at current prices)			Ratio of actual to planned spending (const. 1984 CFAF) 1984-1985	Allocation of spending (in %)	Allocat: planne expendit (in %)
	TOTAL	1984	1985	TOTAL	1984	1985			
DIRECTLY PRODUCTIVE SECTORS	59,268	27,556	31,712	44,510	21,410	23,100	0.72	38.01	40.3
Agriculture and rural dev.	43,368	21,656	21,712	32,100	16,800	15,300	0.72	27.41	27.4
Mining, industry & energy*	15,900	5,900	10,000	12,410	4,610	7,800	0.75	10.60	12.9
SOCIAL SERVICES	46,391	21,754	24,637	24,580	12,870	11,710	0.51	20.99	31.3
Education and training	10,857	4,152	6,705	6,200	4,100	2,100	0.56	5.30	7.3
Health	5,693	2,551	3,142	2,300	1,440	860	0.39	1.96	3.8
Housing and urban dev.	7,925	3,140	4,785	1,480	1,480	...	0.19	1.25	5.3
Water Supply	21,916	11,911	10,005	14,600	5,850	8,750	0.64	12.47	14.9
INFRASTRUCTURE	39,807	14,678	24,929	36,600	15,180	21,420	0.88	31.26	27.0
Transport	28,900	10,300	18,600	28,900	12,820	16,080	0.96	24.68	19.65
Telecommunications	8,407	3,578	4,629	5,200	1,560	3,640	0.59	4.44	5.7
Government building	2,500	1,000	1,500	2,500	800	1,700	0.95	2.14	1.7
OTHER EXPENDITURE	1,586	662	924	11,400	2,230	9,170	6.78	9.74	1.05
TOTAL	147,052	64,850	82,202	117,090	51,690	65,400	0.77	100.00	100.00

*including private investment

Source: MINISTRY OF PLANNING, PROGRAMME INTERIMAIRE DE CONSOLIDATION, 1984 - 1985 and
MINISTRY OF FINANCE.

TABLE A.17

NIGER: BALANCE OF PAYMENTS, 1975 - 1985
(in billions of CFA francs)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
I. CURRENT ACCOUNT, NET	-1.6	-5.1	-23.5	-45.3	-40.2	-61.1	-45.4	-53.8	-27.3	-20.6	-33.6
Trade balance	-2.0	-6.3	-10.9	-27.6	-30.5	-46.1	-48.4	-47.9	-20.5	-13.5	-46.4
Exports, f.o.b.	29.7	41.0	48.3	64.9	103.2	121.7	131.7	121.1	141.2	135.3	124.0
(of which: uranium)	(11.9)	(20.5)	(29.2)	(53.4)	(63.6)	(100.8)	(78.0)	(91.5)	(110.0)	(97.7)	(104.0)
Imports, c.i.f.	-31.7	-47.3	-59.2	-92.5	-133.7	-167.8	-180.1	-171.0	-161.7	-148.8	-173.0
Net Services	-13.5	-20.5	-25.5	-38.6	-26.7	-34.8	-30.5	-35.0	-35.0	-44.3	-41.3
(of which: interest)	(-0.9)	(-1.3)	(-2.5)	(-4.9)	(-7.7)	(-13.1)	(-21.8)	(23.6)	(-21.9)	(-25.5)	(-25.4)
Goods and services, net	-15.5	-26.8	-36.4	-64.2	-57.2	-80.9	-78.9	-86.9	-55.5	-57.8	-87.7
Net Transfers	13.7	21.7	12.9	18.5	17.0	19.8	27.5	35.1	32.2	37.0	56.1
Private	-3.5	-3.9	-4.6	-7.3	-7.3	-10.5	-12.6	-12.4	-13.3	-9.0	-11.5
Public	17.2	25.6	17.5	25.8	24.3	30.3	42.1	47.5	45.5	46.0	67.6
II. CAPITAL ACCOUNT, NET	7.3	9.3	29.6	45.7	42.2	51.2	52.1	7.3	21.1	12.9	9.3
Public (net)	3.8	7.1	21.5	36.1	32.6	38.1	37.3	19.4	31.5	19.6	13.8
Private (net)	3.5	2.2	8.3	9.6	9.6	13.1	14.8	-12.1	-10.6	-6.7	-4.5
III. ERRORS AND OMISSIONS	-5.2	3.2	-1.6	-2.9	-4.9	-5.1	-0.6		-1.3	3.5	-1.5
IV. OVERALL BALANCE	0.3	7.4	4.3	-2.5	-2.9	-15.0	1.9	-46.5	-7.5	-4.0	-25.5
FINANCING:											
Net foreign assets	-0.3	-7.4	-4.3	2.5	2.9	15.0	-1.9	46.5	4.1	-17.4	6.0
Banks	0.6	0.2	-0.3	5.8	2.0	16.1	-0.5	25.2	-0.6	-2.6	
BCEAO	-1.1	-7.6	-4.0	-3.3	0.9	-1.1	-1.4	21.3	4.5	-14.8	8.0
of which: IMF					(0.4)	(0.4)	(0.9)	(0.3)	(12.3)	(6.4)	(6.4)
Debt Relief									3.4	21.4	17.6
MEMORANDUM ITEMS											
Exchange rate (annual average):											
CFA francs per U.S. dollar	214.3	239.0	245.7	225.6	212.7	211.3	271.7	328.6	381.1	437.0	420.0
CFA francs per SDR	260.2	275.9	266.8	282.5	274.8	275.0	320.4	362.0	407.7	450.1	432.6
							(as percentage of SDR)				
Trade balance (deficit -)	-1.1%	-2.6%	-3.8%	-7.7%	-6.9%	-8.6%	-8.2%	-7.6%	-5.0%	-4.2%	-6.9%
Current account balance	-1.0%	-2.1%	-8.1%	-12.6%	-9.1%	-11.4%	-8.4%	-6.4%	-4.0%	-3.4%	-4.8%
Overall balance	0.2%	3.1%	1.5%	-0.7%	-0.7%	-2.6%	0.3%	-7.2%	-1.1%	-0.6%	-3.7%

Source: Central Bank (BCEAO) and Ministry of Planning

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TABLE A.18

NIGER: BALANCE OF PAYMENTS, 1975 - 1985
(in millions of U.S. dollars)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
I. CURRENT ACCOUNT, NET	-6.40	-21.34	-95.65	-200.60	-188.98	-289.16	-181.60	-163.71	-71.63	-47.60	-80.00
Trade balance	-9.33	-26.36	-44.36	-122.34	-143.38	-218.17	-178.12	-151.65	-53.79	-30.89	-115.24
Exports, f.o.b.	138.57	171.55	196.58	287.68	485.14	575.96	484.67	368.51	379.51	309.61	258.11
of which: uranium	55.53	85.77	118.84	236.70	393.00	477.05	360.65	278.44	288.64	223.57	247.11
Imports, c.i.f.	-147.92	-197.91	-240.94	-410.02	-628.53	-794.13	-662.79	-520.36	-424.30	-349.50	-411.15
Net Services	-59.84	-90.87	-113.03	-162.23	-125.52	-164.69	-112.24	-118.68	-102.34	-101.37	-98.13
Goods and services, net	-72.33	-112.13	-148.15	-264.57	-268.90	-362.67	-290.36	-270.53	-156.13	-132.27	-213.57
Net Transfers	63.73	90.79	51.56	83.76	79.92	93.71	108.56	105.81	84.49	64.67	133.57
Private	-16.33	-16.32	-16.72	-32.36	-43.72	-49.67	-46.37	-37.73	-34.90	-20.59	-27.79
Public	80.26	107.11	71.23	116.13	123.64	143.40	154.93	144.54	119.39	105.26	161.36
II. CAPITAL ACCOUNT, NET	34.06	38.91	120.47	202.57	198.38	242.31	191.73	22.21	59.37	29.52	22.14
Public (net)	17.73	29.71	86.69	160.02	153.23	186.31	137.27	59.03	63.71	44.85	37.66
Private (net)	16.33	9.21	33.78	42.55	45.15	62.00	54.47	-36.82	-26.34	-15.33	-15.51
III. ERRORS AND OMISSIONS	-24.27	13.39	-7.33	-12.65	-23.03	-24.14	-2.94		-3.41	5.92	-3.57
IV. OVERALL BALANCE	1.40	30.96	17.50	-11.08	-13.63	-70.99	6.99	-141.50	-19.68	-9.15	-61.47
FINANCING:											
Net foreign assets	-1.40	-30.96	-17.50	11.08	13.63	70.99	-6.99	141.50	10.76	-39.62	19.05
Banks	3.73	0.64	-1.22	25.71	9.40	76.19	-1.84	76.65	-2.10	-5.95	0.00
BCEAG	-5.13	-31.60	-16.26	-14.63	4.23	-5.21	-5.15	64.82	12.68	-33.67	19.05
of which: IMF					1.9	1.9	3.3	0.9	32.3	14.6	15.2
Debt Relief									8.92	48.97	47.36
MEMORANDUM ITEMS											
Exchange rate (annual average)											
CFA francs per U.S. dollar	214.3	239.0	245.7	225.6	212.7	211.3	271.7	328.6	381.1	437.0	420.0
CFA francs per SDR	260.2	275.9	286.6	282.5	274.8	275.0	320.4	362.0	419.2	457.1	411.6
							(as percentage of GDP)				
Trade balance (deficit -)	-1.1%	-2.6%	-3.8%	-7.7%	-8.9%	-8.6%	-8.2%	-7.6%	-3.0%	-2.2%	-6.9%
Current balance	-1.0%	-2.1%	-8.1%	-12.6%	-9.1%	-11.4%	-8.4%	-8.4%	-4.0%	-3.4%	-4.6%
Overall balance	0.2%	3.1%	1.5%	-0.7%	-0.7%	-2.6%	0.3%	-7.2%	-1.1%	-0.6%	-3.7%

TABLE A.19

NIGER: External Debt--Outstanding and Disbursed, 1985-1994
(in millions of CFA francs)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
TOTAL OUTSTANDING AND DISBURSED DEBT	331,928	346,268	353,581	348,628	317,871	285,154	264,187	238,070	216,444	196,112
MULTILATERAL	137,875	157,715	171,805	174,508	164,033	158,384	150,654	144,937	139,028	133,112
BILATERAL	161,112	163,203	163,802	161,329	148,799	126,155	111,632	92,706	77,272	59,999
Paris Club Bilateral	121,710	117,577	112,811	107,077	98,045	82,103	68,283	54,571	44,162	33,112
of which: France	(82,406)	(65,142)	(66,605)	(66,733)	(60,421)	(65,546)	(59,016)	(48,146)	(36,792)	(28,112)
Financial Institutions:	29,481	23,056	17,091	11,791	7,561	4,904	2,743	647	201	0
of which: France-guaranteed	(26,579)	(20,433)	(14,769)	(9,720)	(5,581)	(3,788)	(1,585)	(210)	0	0
Other Bilateral	39,402	45,626	50,991	54,232	50,754	47,052	43,349	36,135	33,110	26,887
of which Arab Countries	(29,815)	(34,000)	(37,148)	(36,332)	(35,010)	(31,464)	(27,916)	(24,275)	(20,750)	(17,400)
LONDON CLUB	32,541	25,350	17,974	12,791	7,039	3,615	1,900	445	147	0
of which: France	(23,636)	(19,235)	(15,055)	(10,678)	(6,252)	(3,461)	(1,833)	(445)	(147)	0
DEBT PREVIOUSLY RESCHEDULED	(44,168)	(43,579)	(42,360)	(41,659)	(36,232)	(26,516)	(17,769)	(6,597)	(3,716)	(0)

Notes:

1. The years refer to calendar years and the amounts represent end-of-year amounts.
2. The exchange rates used to convert all loans into CFA francs are the average 1985 exchange rates used by Ministry of Finance. For example, following rates are used: 420 CFA/dollar; 430 CFA/SDR; 345 CFA/ECU; 583 CFA/pound sterling; 7.62 CFA/Belgian franc; 1370 CFA/Kuwaiti dinar; 112 CFA/Saudi Arabian riyal; 140 CFA/Chinese yuan; 465 CFA/unit of Af. Dev. Bank; and 429 CFA/unit of African Dev. Fund.

Source: MINISTRY OF FINANCE

TABLE A.20

RISEB: PROJECTIONS OF DEBT SERVICE PAYMENTS, 1983-1994
(in millions of U.S. dollars)

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
MULTILATERAL	20.3	26.0	37.3	43.5	32.6	24.5	19.2	16.2	16.6	16.4	17.2	
Principal	11.0	16.1	27.3	34.2	24.9	18.2	13.6	13.6	13.6	14.1	13.5	
Interest	9.5	9.9	10.0	9.3	7.7	6.3	5.6	5.0	5.0	4.4	3.8	
BILATERAL--Paris Club	44.9	51.4	50.6	45.4	44.8	49.1	45.7	42.5	42.5	31.2	26.2	
Principal	23.9	27.7	28.4	25.0	26.3	33.2	32.9	32.7	32.7	24.8	21.1	
Interest	21.0	23.8	22.1	20.4	18.5	15.9	12.8	9.8	9.8	7.0	5.1	
OTHER BILATERAL	8.5	10.2	9.4	9.2	10.1	10.2	10.2	13.6	12.9	12.9	12.5	
Principal	6.4	8.5	7.4	7.2	8.3	8.6	8.8	12.4	12.0	12.0	11.2	
Interest	2.1	1.7	2.1	2.0	1.8	1.6	1.4	1.2	1.0	0.9	0.8	
LONDON CLUB	13.3	27.2	24.6	17.3	17.0	10.0	5.0	5.7	5.7	5.2	5.4	
Principal	16.6	18.3	17.7	12.5	13.7	6.1	4.1	3.5	3.7	3.7	3.4	
Interest	4.6	9.0	6.8	4.9	3.3	1.8	0.9	0.5	0.5	0.1	0.0	
TOTAL PUBLIC DEBT SERVICE PAYMENTS	97.6	114.8	121.8	115.5	104.6	94.1	80.2	76.5	64.0	56.0	50.0	
Principal	60.0	70.4	60.6	76.7	73.2	69.4	59.3	62.2	51.3	41.3	35.5	
Interest	37.6	44.3	41.0	38.6	31.4	25.7	20.7	16.4	12.4	12.4	9.7	
DEBT PREVIOUSLY RESCHEDULED	(4.0)	(3.9)	(3.9)	(11.8)	(22.6)	(30.2)	(27.5)	(25.1)	(25.1)	(11.5)	(11.5)	
Principal	(0.8)	(0.8)	(0.8)	(1.8)	(13.0)	(22.2)	(21.8)	(21.8)	(21.8)	(11.5)	(11.5)	
Interest	(3.2)	(3.1)	(3.1)	(10.1)	(9.6)	(8.0)	(5.8)	(3.5)	(3.5)	(1.0)	(1.0)	
IMR	(4.0)	(6.0)	(21.1)	(25.0)	(11.7)	(6.0)	0.0	0.0	0.0	0.0	0.0	

Source: Ministry of Finance

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TABLE A.21

NIGER: MONETARY SURVEY, 1978-1986
(in billions of CFA francs)

	1978	1979	1980	1981	1982	1983	1984	Projections	
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	1985	1986
								Dec.	Dec.
MONEY SUPPLY	54.20	64.51	77.93	94.01	82.98	82.11	100.62	110.21	119.71
Currency outside banks	19.74	27.28	31.05	34.78	35.27	30.95	30.63	....	....
Demand deposits	26.66	29.99	33.54	39.91	35.65	35.02	47.37	....	....
Quasi-money	7.80	7.24	13.34	19.32	12.06	16.14	22.62	....	....
NET FOREIGN ASSETS	17.36	13.49	12.19	22.14	-20.52	-15.76	1.87	-2.43	-3.83
Central bank	23.27	22.28	27.36	29.69	8.78	4.00	18.80	....	....
Commercial banks	-5.91	-8.79	-15.17	-7.55	-29.30	-19.76	-16.93	....	....
DOMESTIC CREDIT	42.36	57.46	82.31	98.97	126.68	125.29	119.79	134.50	147.10
Net claims on government	-11.88	-18.36	-7.49	-2.99	16.33	18.14	21.61	26.90	30.60
Credit to private sector	54.24	75.82	89.80	101.96	110.35	107.15	98.18	107.60	116.50
OTHER ITEMS (net)	-5.52	-6.44	7.12	10.55	3.15	-8.57	-14.25	-6.38	-4.66
					(percentage changes)				
MONEY SUPPLY	19.02	20.80	20.63	-11.73	-1.05	22.54	9.53	8.62	
Currency outside banks	38.20	13.82	12.01	1.41	-12.25	-1.03	....	....
Demand deposits	12.49	11.84	18.99	-10.67	-1.77	35.27	....	....
Quasi-money	-7.18	84.25	44.83	-37.59	33.83	40.15	....	....
NET FOREIGN ASSETS	-22.29	-9.64	81.62	-192.68	-23.20	-111.87	-229.95	57.61	
Central bank	-4.25	22.80	8.52	-70.43	-54.44	370.00	....	....
Commercial banks	48.73	72.58	-50.23	288.08	-32.56	-14.32	....	....
DOMESTIC CREDIT	35.65	43.25	20.24	28.00	-1.10	-4.39	12.28	9.37	
Net credit to government	54.55	-59.20	-60.08	-646.15	11.08	19.13	24.49	13.75	
Credit to private sector	39.79	18.44	13.54	8.23	-2.90	-8.37	9.59	8.27	
OTHER ITEMS	16.67	-210.56	48.17	-70.14	-372.06	66.28	-55.23	-26.65	

Source: IMF and Central Bank (BCEAD)

TABLE A.22

NIGER: INTEREST RATES IN THE MONEY MARKET
(in percent per annum)

Date	Overnight		One-month		Three-month	
	Deposits	Advances	Deposits	Advances	Deposits	Advances
July 1975	7.000	7.125	....	....	....	....
February 1976	6.500	6.750	....	....	....	....
August 1976	7.250	7.500	....	....	....	....
August 1977	7.000	7.250	....	....	....	....
February 1978	7.500	7.750	....	....	....	....
August 1978	7.000	7.250	7.063	7.313	7.125	7.375
March 1979	6.125	6.375	6.250	6.500	6.500	6.750
August 1979	7.750	8.000	7.875	8.125	8.125	8.375
March 1980	10.750	11.000	10.875	11.125	11.125	11.375
April 1980	9.750	10.063	9.875	10.125	10.125	10.375
May 1981	14.750	15.063	14.875	15.125	15.125	15.375
December 1981	14.250	14.563	14.375	14.625	14.625	14.875
February 1982	13.750	14.063	13.875	14.125	14.125	14.375
March 1982	15.250	15.625	15.375	15.625	15.625	15.875
December 1982	13.000	13.313	13.125	13.375	13.375	13.625
March 1983	11.000	11.313	11.125	11.375	11.375	11.625
June 1983	12.000	12.313	12.125	12.375	12.375	12.625
July 1984	11.500	11.813	11.625	11.875	11.875	12.125
October 1984	10.750	11.000	10.875	11.125	11.125	11.375
January 1985	10.625	10.875	10.750	11.000	11.000	11.250
December 1985	9.750	10.000	9.875	10.125	10.125	10.375

NIGER: AVERAGE ANNUAL INTEREST RATES IN THE MONEY MARKET, 1975 - 1985
(in percent per annum)

1975	7.000	7.125	....	....	....	....
1976	6.875	7.125	....	....	....	....
1977	7.000	7.250	....	....	....	....
1978	7.250	7.500	....	....	....	....
1979	6.938	7.188	7.063	7.313	7.125	7.375
1980	10.250	10.531	7.063	7.313	7.313	7.563
1981	14.500	14.813	10.375	10.625	10.625	10.875
1982	14.000	14.333	14.625	14.875	14.875	15.125
1983	14.000	14.333	14.125	14.375	14.375	14.525
1984	11.500	11.813	11.625	12.875	11.875	12.125
1985	11.125	11.406	11.250	11.500	11.900	11.750
	10.625	10.875	10.750	11.000	11.000	11.250

Source: IMF and Central Bank (BCEAD)