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# REGIONAL DEVELOPMENT STRATEGY STATEMENT

## FY 1991

## SOUTHERN AFRICA

## VOLUME 2

BEST AVAILABLE

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Agency for International Development
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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
DEVELOPMENT ASSISTANCE STRATEGY FOR SOUTHERN AFRICA

# RDSS
# Volume II
# Southern Africa:
# Economic and Social Perspectives

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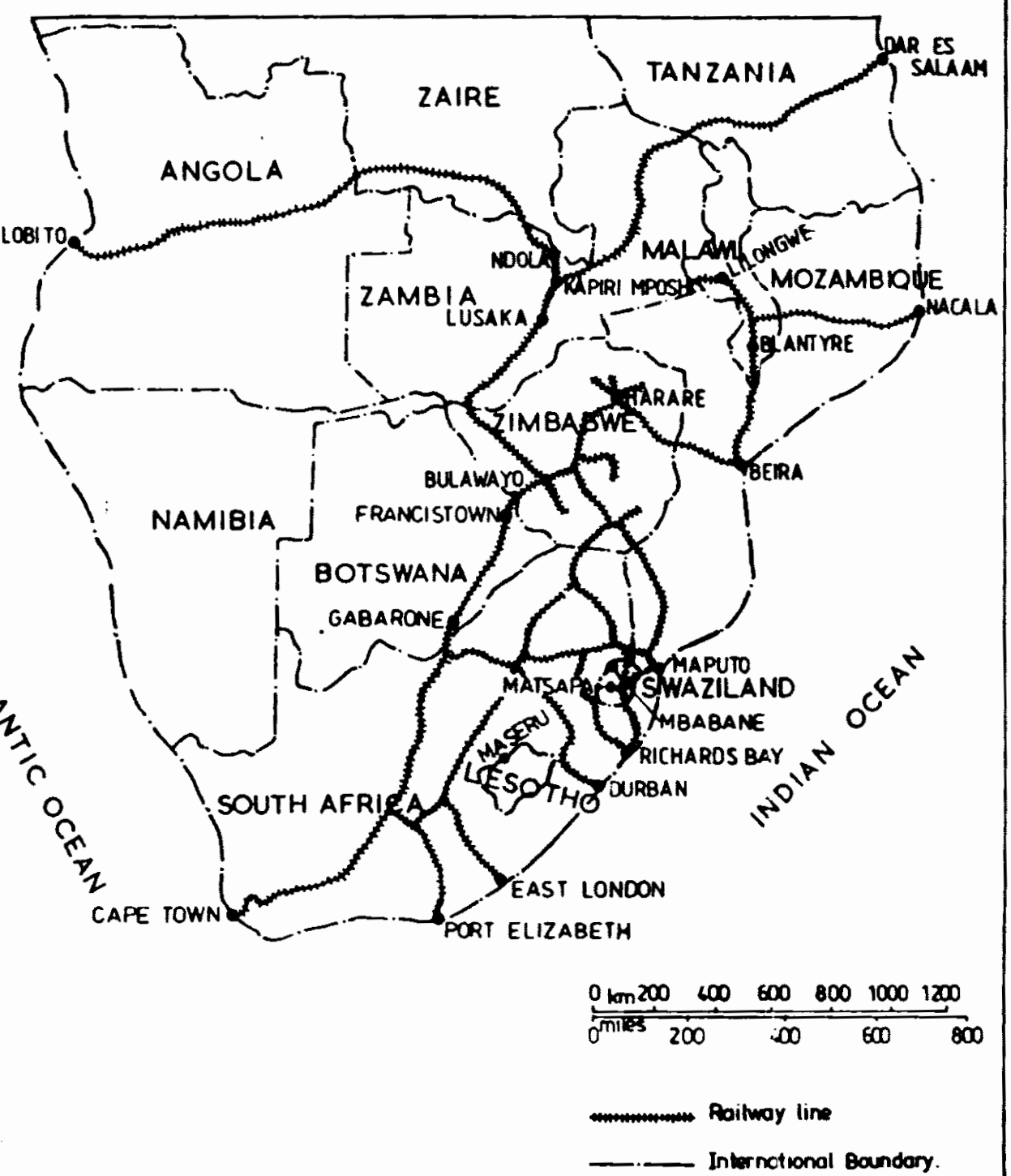
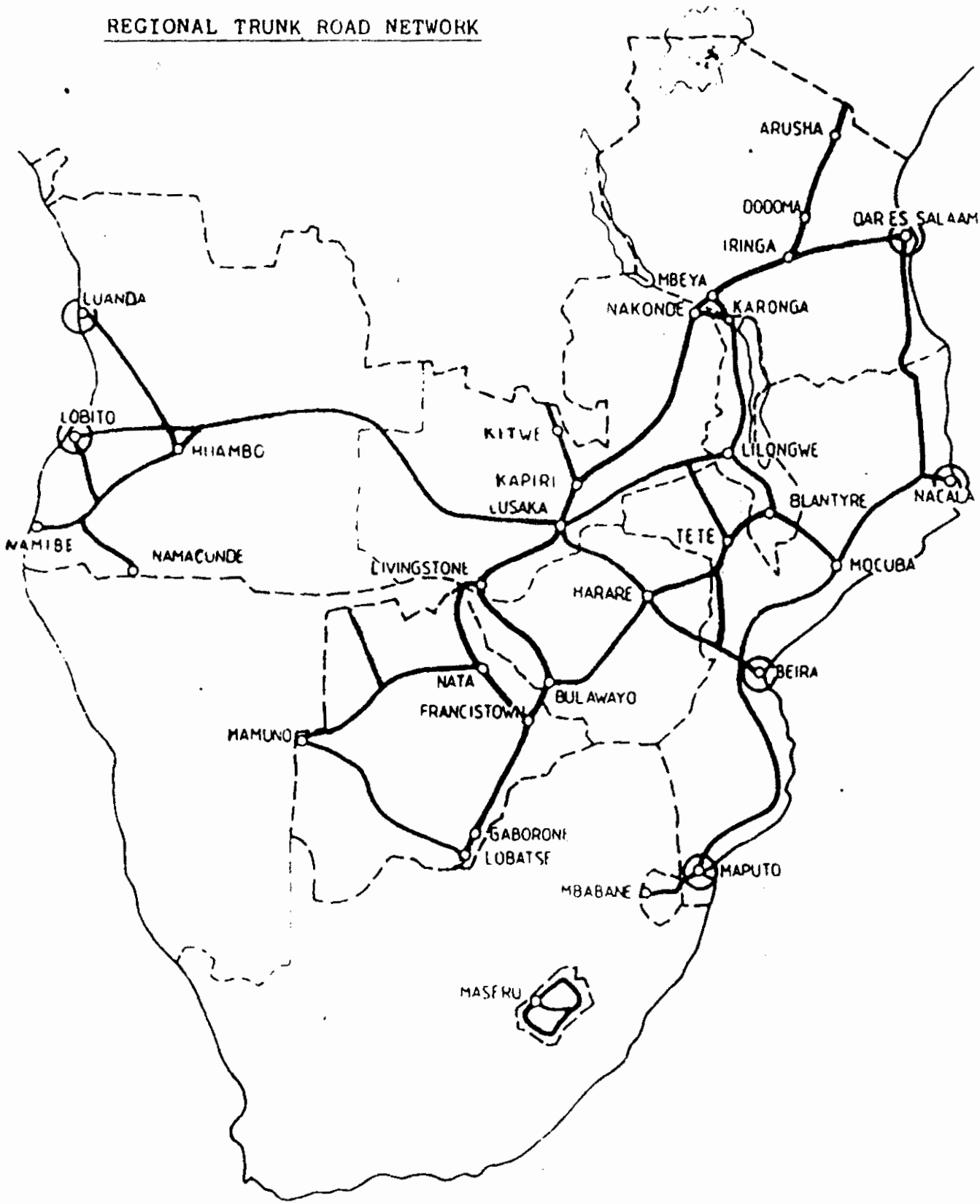


REGIONAL TRUNK ROAD NETWORK



# SOUTHERN AFRICA DISTANCE TABLE
# FROM MAJOR CITIES AND PORTS

| HARARE | LUSAKA | BLANTYRE | FRANCISTOWN | MASERU | MATSAPHA | LILONGWE | GABARONE | |
|---|---|---|---|---|---|---|---|---|
| 2922 | 3135 | 3462 | 1980 | 1365 | — | 3806 | 1545 | CAPETOWN |
| 2422 | 3234 | 2962 | 2000 | 830 | — | 3306 | 1565 | PORT ELIZABETH |
| 2027 | 2839 | 2567 | 1605 | 666 | 565 | 2911 | 1170 | DURBAN |
| 2362 | 2959 | 3174 | 1940 | 830 | — | 3246 | 1505 | EAST LONDON |
| 1828 | 2640 | 2368 | 1855 | 844 | 387 | 2712 | 1420 | RICHARDS BAY |
| 1193 | 2005 | 2545 | 1240 | 1175 | 230 | 2889 | 1675 | MAPUTO |
| 605 | 2073 | 649 | 1308 | — | — | 993 | 1743 | BEIRA |
| 1354 | 1888 | 814 | 2057 | — | — | 1158 | - | NACALA |
| 3513 | 2045 | 1800 | 3200 | — | — | 1635 | 3635 | DAR ES SALAAM |
| 3758 | 2290 | 3374 | 3445 | — | — | 3030 | 3880 | LOBITO |

SOURCE: Louis Berger SARTSE Model.

NOTE: 1) The distances given are indicated in kilometers & are over the shortest routes by rail where possible.

2) Rail distances from Blantyre & Lilongwe to RSA ports are via road between Blantyre & Harare.

3) Distances from Zimbabwe to Richards Bay & Durban, assume using the Northern rail route through Swaziland.

# TRADE OF SADCC COUNTRIES: VOLUMES AND DIRECTION
## (000'S Tons)

| COUNTRY | TOTAL VOLUME | | | | TRADE WITH RSA | | | | TRADE WITH OTHER AFR. COUNTRIES | | | | ROUTE DISTRIBUTION FOR OVERSEAS TRADE | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | CURRENT | | | | 1990 | | | | 1995 | | | | 2000 | | | |
| | Curr | 90 | 95 | 2000 | Curr | '90 | '95 | 2000 | Curr | '90 | '95 | 2000. | RSA | DAR | MOZ | LOB | RSA | DAR | MOZ | LOB | RSA | DAR | MOZ | LOB | RSA | DAR | MOZ | LOB |
| **EXPORTS** | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Angola | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | n/a | n/a | n/a | n/a | 0 | 0 | 0 | 166 | 0 | 0 | 0 | 213 |
| Botswana | 129 | 166 | 987 | 1120 | 38 | 57 | 649 | 735 | 17 | 39 | 265 | 308 | 72 | 0 | 2 | 0 | 70 | 0 | 0 | 0 | 60 | 0 | 13 | 0 | 57 | 0 | 20 | 0 |
| Lesotho | 10 | 10 | 15 | 20 | 9 | 9 | 13 | 18 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |
| Malawi | 291 | 314 | 343 | 372 | 7 | 5 | 9 | 9 | 72 | 78 | 81 | 94 | 154 | 13 | 45 | 0 | 0 | 36 | 192 | 0 | 0 | 17 | 236 | 0 | 19 | 0 | 250 | 0 |
| Mozambique | * | * | * | * | * | * | * | * | * | * | * | * | 0 | 0 | 324 | 0 | 0 | 0 | 1682 | 0 | 0 | 0 | 2565 | 0 | 0 | 0 | 2951 | 0 |
| Swaziland | 1250 | 1300 | 1665 | 2200 | 391 | 342 | 346 | 348 | 93 | 103 | 148 | 124 | 415 | 0 | 351 | 0 | 325 | 0 | 530 | 0 | 0 | 0 | 1171 | 0 | 0 | 0 | 1728 | 0 |
| Tanzania | * | * | * | * | * | * | * | * | * | * | * | * | 0 | 275 | 0. | 0 | 0 | 420 | 0 | 0 | 0 | 545 | 0 | 0 | 0 | 655 | 0 | 0 |
| Zambia | 726 | 784 | 770 | 793 | 0 | 0 | 0 | 0 | 178 | 222 | 265 | 315 | 200 | 310 | 38 | 0 | 0 | 524 | 38 | 0 | 0 | 391 | 22 | 92 | 0 | 358 | 20 | 100 |
| Zimbabwe | 2204 | 2410 | 2663 | 2914 | 363 | 347 | 333 | 334 | 776 | 884 | 948 | 1036 | 653 | 0 | 412 | 0 | 372 | 0 | 807 | 0 | 484 | 0 | 898 | 0 | 552 | 0 | 992 | 0 |
| Zaire(Shab) | 604 | 604 | 852 | 997 | 1 | 1 | 1 | 1 | 23 | 24 | 29 | 31 | 2 | 55 | 0 | 0 | 2 | 50 | 0 | 0 | 2 | 53 | 0 | 450 | 2 | 57 | 0 | 550 |
| Sub-total | 5214 | 5588 | 7295 | 8416 | 809 | 764 | 1351 | 1445 | 1159 | 1350 | 1736 | 1908 | 1497 | 653 | 1172 | 0 | 770 | 1030 | 3249 | 0 | 550 | 1006 | 4905 | 708 | 632 | 1070 | 5961 | 863 |
| **IMPORTS** | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Angola | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | n/a | n/a | n/a | n/a | 0 | 0 | 0 | 560 | 0 | 0 | 0 | 699 |
| Botswana | 815 | 906 | 1069 | 1318 | 611 | 630 | 700 | 833 | 139 | 222 | 288 | 362 | 65 | 0 | 0 | 0 | 54 | 0 | 0 | 0 | 66 | 0 | 15 | 0 | 93 | 0 | 30 | 0 |
| Lesotho | 850 | 1050 | 1300 | 1600 | 800 | 990 | 1225 | 1510 | 0 | 0 | 0 | 0 | 50 | 0 | 0 | 0 | 60 | 0 | 0 | 0 | 75 | 0 | 0 | 0 | 90 | 0 | 0 | 0 |
| Malawi | 514 | 526 | 551 | 581 | 201 | 127 | 61 | 53 | 142 | 125 | 148 | 165 | 165 | 6 | 0 | 0 | 20 | 50 | 204 | 0 | 13 | 52 | 277 | 0 | 13 | 59 | 291 | 0 |
| Mozambique | * | * | * | * | * | * | * | * | * | * | * | * | 0 | 0 | 1370 | 0 | 0 | 0 | 1980 | 0 | 0 | 0 | 2430 | 0 | 0 | 0 | 3050 | 0 |
| Swaziland | 565 | 570 | 630 | 715 | 485 | 490 | 450 | 505 | 30 | 20 | 110 | 130 | 49 | 0 | 1 | 0 | 55 | 0 | 5 | 0 | 40 | 0 | 30 | 0 | 40 | 0 | 40 | 0 |
| Tanzania | * | * | * | * | * | * | * | * | * | * | * | * | 0 | 1350 | 0 | 0 | 0 | 1620 | 0 | 0 | 0 | 1900 | 0 | 0 | 0 | 2175 | 0 | 0 |
| Zambia | 1329 | 1380 | 1497 | 1582 | 145 | 128 | 80 | 30 | 229 | 240 | 271 | 265 | 15 | 940 | 0 | 0 | 0 | 1006 | 6 | 0 | 0 | 1064 | 17 | 65 | 0 | 1165 | 22 | 100 |
| Zimbabwe | 1922 | 1968 | 1863 | 1921 | 878 | 829 | 518 | 464 | 76 | 127 | 279 | 339 | 255 | 0 | 713 | 0 | 146 | 1 | 865 | 0 | 154 | 3 | 909 | 0 | 144 | 5 | 969 | 0 |
| Zaire(Shab) | 608 | 602 | 699 | 900 | 144 | 108 | 82 | 80 | 250 | 284 | 342 | 364 | 18 | 25 | 0 | 0 | 18 | 34 | 0 | 0 | 18 | 37 | 0 | 175 | 18 | 40 | 0 | 225 |
| Subtotal | 6603 | 7002 | 7609 | 8617 | 3264 | 3302 | 3116 | 3475 | 866 | 1018 | 1438 | 1625 | 617 | 1106 | 2083 | 0 | 353 | 2711 | 3060 | 0 | 366 | 3056 | 3678 | 800 | 398 | 3444 | 4402 | 1024 |

N/A = Not applicable  *** = Information not available

Note:
1) Traffic for Zambia and Zimbabwe includes oil imports via pipeline
2) Overseas trade route distribution for Tanzania and Angola refers to traffic through Dar-es-Salaam and Lobito only, respectively.
3) Traffic for 1990 assumes South African ports open but Limpopo and Beira-Malawi railways closed to transit traffic.
4) Traffic for 1995 and 2000 assumes all routes and border posts open
5) For Zaire's Shaba province, all traffic not using the SADCC routes is assumed to use northern routes

SOURCE: SATCC, 1988

TABLE E

TRANSPORT PROJECTS UNDER CONSIDERATION, 1991 - 1995

| PROJECTS | (MILLIONS OF DOLLARS) FISCAL YEARS | | | | | TOTAL |
|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | |
| KAFUE BRIDGE | 13.3 | - | - | - | - | 13.3 |
| NT'L RAILWASYS OF ZIMBABWE | 13.7 | 5.0 | - | - | - | 18.7 |
| TANZAM MAINTENANCE | - | 10.0 | 10.0 | - | - | 20.0 |
| MGT-RAIL/ROADS | - | 14.0 | - | 7.0 | - | 21.0 |
| TANZAM RE-HABILITATION | - | - | 10.0 | 10.0 | - | 20.0 |
| TA FOR SATCC | - | - | 2.0 | - | - | 2.0 |
| CFM-NEW LOCOS | - | - | - | 25.0 | 35.0 | 60.0 |
| REGL ROADS/BRIDGES | - | - | - | - | 5.0 | 5.0 |
| CONTAINER TRUCKS & SPARES | - | - | - | - | 5.0 | 5.0 |
| T O T A L | 27.0 | 29.0 | 22.0 | 42.0 | 45.0 | 165.0 |

1. Zambia railways - replacement of the Kafue bridge.

This railroad bridge is old and in danger of sudden collapse. The bridge has been strengthened and patched numerous times, and further shoring up is no longer effective. The underlying structural weaknesses due to metal fatigue and corrosion can no longer be corrected. The feeble condition of the bridge forces trains to cross at a speed slightly above a walking pace.

Replacement of this bridge by a new one slightly up-stream would allow higher train crossing speeds, and would eliminate the possibility of very costly and lengthy traffic interruption and detours if the old bridge did collapse.

The benefits from increased travel speeds on the new bridge will be small. The primary benefit would be the avoided disruption and detouring of the traffic id the old bridge were closed, or would collapse.

| | |
|---|---|
| Cost: | $13.3 million |
| Capacity inc ease: | good |
| Cost reduction: | good |
| B/C ratio: | moderate |

2. Zimbabwe, supply of new engines for 44 general electric locomotives, class 9A

The back bone in the NRZ diesel fleet for regional traffic is the class 9 A General Electric locomotive and the class 10 General Motors 1 comotive. Canada is already assisting NRZ with supply of spare parts for the class 10 locomotives.

The class 9A General Electric locomotives were placed in service in 1972 - 1975, have seen heavy use, and the engines are becoming due for replacement. When outfitted with new 750-800 KW engines the lifetime of these reliable locomotives will be extended by at least another 15 years. The NRZ workshops will be able to re-engine 12 locomotives per year. xxx B/C calculations xxx

| | |
|---|---|
| Cost: | $13.20 million |
| Capacity increase: | moderate |
| Cost reduction: | large |
| B/C ratio: | (approximately 1.25) |

3. Tanzam road maintenance support.

This project would provide funds and technical assistance for maintenance of the sections of the Tanzam highway as rehabilitation is completed by the donors. Ex-post evaluations by both AID and the World Bank have shown that economic returns from maintenance of a heavily traveled road such as the Tanzam highway are very high. The benefits arise both from savings in vehicle operating cost and from the opportunity to avoid future expensive reconstruction or rehabilitation of the road following neglect of maintenance. In fact, unless one assumes that adequate maintenance will follow a rehabilitation project, the feasibility of the project can not be demonstrated.

Road maintenance projects are, however, very demanding on AID staff. The difficulty is not so much technical as it is institutional. A successful maintenance project requires changing fundamental attitudes of the host government, and on convincing the government on the importance of maintenance, and on the need for allocating scarce funds to provide for recurring maintenance costs. Past experience has shown that it is helpful if not absolutely necessary for the large donors to combine forces in motivating the required policy reform by the recipient governments.

The World Bank, as part of their Sixth Highway loan now under implementation, is providing a maintenance advisor to the Tanzania MOC for 36 months with the objective of improving the road maintenance organization of all of Tanzania's roads. Another objective is to encourage the MOC to carry out maintenance through private contractors rather than by force account (i.e., the MOC's personnel). The USAID program would be complementary to the World Bank's program.

The USAID project would focus on the Tanzam highway, and would provide maintenance equipment (graders, etc.), technical assistance to the private construction industry and the MOC, and on the job training under the supervision of a U.S. contractor carrying out maintenance.

| | |
|---|---|
| Cost: | $20 million |
| N.C. Capacity increase: | good |
| Cost reduction: | large |
| B/C ration: | 1.3 |

4. Rail and roads management assistance

The railroads in the region have been operating at a financial loss for many years. Some of the losses can be attributed of course, to the insurgency which destroyed locomotives and rolling stock, and caused a significant decline in traffic on several of the traditional corridors. Equally important, however, is the loss resulting from poor and inefficient operating practices including tariffs that do not cover costs.

Considerable technical assistance is already being provided such as under USAID's Regional Rail Systems Support Project to Swaziland. Much, however, there is still a great need for further technical and other assistance to the railroads in the region. The technical assistance would be in the areas of management of finances (analysis of alternative tariff structures, determining best sources of financing, cash forecasting, etc.), the management of the institution ( improving working relationships, communications with government officials, staffing requirements, organization of marketing, etc.), the management of operations ( locomotive and wagon utilization, defining communications requirements, maintenance requirements and schedules, training needs, etc.), and transport economics (financial viability, effect of road/rail competition, optimum equipment replacement policies, etc.).

Other assistance could be provided in many areas such as setting up information systems focussing tracking of cars by providing hardware, software, and training; and improving accounting operations by providing the necessary computer systems and training. The cost is estimated at about $21 million beginning in FY 1991. There is a total need for about $30 million additional for which other donors funding will be sought.

| | |
|---|---|
| Cost: | $21 million |
| Capacity increase: | significant |
| Cost reduction: | large |
| B/C ratio: | very high |

5. Rehabilitation of the Zambia side of the Tanzam Highway

The Zambia side of the Tanzam highway between new Kapiri Mposhi and Nakonda on the Tanzanian border was built over 15 years ago, and carries a heavy volume of traffic. Recent counts show the flow to be about 430 vehicles per day of which 240 are heavy vehicles. Many of the heavy vehicles, in the past, have been overloaded and have seriously damaged the road's surface. And, even though efforts are being made to ensure that vehicles comply with the load limits set by the weigh bridges at Kapiri and Nakonde, the damage because of overloading to the road is continuing. Neglect of maintenance is also an important factor in contributing to the rough condition of the road. And, even if weight control eventually becomes effective, the damage to the road is at this time so serious that catch-up maintenance efforts cannot restore the road to satisfactory condition.

Partial rehabilitation work has been carried out over the past. However, due to lack of funds it has not been possible to keep up with the deterioration. Providing funds for rehabilitating the road would yield a high return.

Improvement of the road can be expected to reduce vehicle operating costs by about 20%. Average vehicle operating costs on the road before improvement is about $0.20 per kilometer for light vehicles and $1.50 for heavy vehicles. Thus, the savings per kilometer due to the improvement will be .20 x $0.20 = $.04 for light vehicles, and about $0.30 per kilometer for heavy vehicles.

Based on a 365 day year, the annual savings per kilometer will be:

$$365 \times (\$.04 \times 190 + \$.30 \times 241) = \$29,163.5$$

The net present value of these savings discounted at 12% and over a twenty year time span is about $220,000; and this is well above the investment cost of $186,000 per kilometer for the rehabilitation. Thus, this project can be considered economically feasible.

| | |
|---|---|
| Cost: | $52.5 million |
| Capacity increase: | negligible |
| Cost reduction: | good |
| B/C ratio: | good |

6. Technical Assistance for SATCC

This project provides technical assistance to the SATCC in Maputo for the strategic planning of transport, and for the development at a transportation information data bank. From its inception in 1981 SATCC has, of necessity because of the enormous workload, ocused on the day to day and on the identification and implementation of projects to improve the transport corridors.

As recommended in the recently completed study commissioned by the SATCC Committee of Ministers in May 1987, "Final Report the study of the Organization, Management and staffing of the SATCC, D.A. Anderson and D.C. Mulaisho, Maputo, June 1988", it is time for SATCC to address the more strategic issues of transport development in the region.

These issues include the planning of a balanced transport development program, the achieving of coordinated actions for improved efficiency in regional transport operations, and the monitoring and assessment of the impact of SATCC programs towards meeting SADCC objectives. And ready access to reliable and timely region-wide data is essential to achieve this.

SATCC has no information center, and needs staff, hardware and software, and facilities to establish one. The AID technical assistance would provide full time staff with expertise in computer system management and the collection and processing of transportation related date, hardware and software, and the physical facilities for the information center.

| | |
|---|---|
| Cost: | $2 million |
| Capacity Increase: | large |
| Efficiency Increase: | large |
| B/C ratio: | high |

7. Twenty new locomotives and spares for Mozambique

The existing Mozambique Railways fleet consists of old General Motors locomotives operating at a low level of efficiency because of the poor tracks, insurgency which though diminishing is still a factor interfering with operations, lack of vital spare parts, materials, and equipment, and lack of skilled manpower.

Earlier USAID and projects by other donors have identified these weaknesses, and have started implementing projects to increase productivity by rehabilitating workshops, by supplying essential spares, equipment and tools, and by improving in many other ways the ability to maintain and refurbish locomotives.

It is estimated that the USAID projects alone will increase the locomotive availability of the CFM(S) and CFM(C) from the present level of 58 percent to 75 percent, and that there is no need for new locomotives over the short term. Once the corridors to the ports of Maputo and Beira are in full use, however, there will be a need for additional locomotives to replace those that are worn out by that time, and to accommodate the increased levels of traffic.This project would provide twenty new locomotives with their spares starting in 1994.

| | |
|---|---|
| Cost: | $60 million |
| Capacity Increase: | Substantial |
| Cost Reduction: | Substantial |
| B/C ratio: | moderate (approximately 1.2) |

## Transport Project Description

### 8. Regional Roads and Bridges Inspection and Inventory

The distances in the regions are large, and the regional roads and bridges network is extensive. Some of the road sections and bridges are in heavy use, on others traffic is only light. And some of the road sections and bridges need more intensive maintenance, and or in need of rehabilitation or re-construction than others. There is however, at this time, no formal inventory of the condition of the network and of the use. Thus, it is not possible to set priorities for maintaining the regional network. And, without priorities, it is not possible to conserve the scarce funds for maintenance and rehabilitation.

This project would assist the SADCC countries in setting up an inventory of their regional road and bridge network. This inventory would include the condition (age, roughness, adequacy of drainage, etc.) of each road section and bridge, the amount of traffic carried by the road section or bridge, the composition of the traffic, and the distribution of axle load weights.

The project would also provide assistance with applying modern and proven tools, such as the World Bank's Highway Design Model to set the priorities for maintenance and rehabilitation, and to determine the most cost effective combination of maintenance and design standard for each section of the network.

Technical assistance consisting of civil engineers, transport economists, and computer information systems dealing with transportation would be provided to the Ministries of Transport, Public Works, and other organizations involved in road and bridge maintenance and rehabilitation.

The assistance would also include commodities such automatic traffic counters, weigh bridges, pavement strength measuring instruments, and micro-computers.

The cost of the project is estimated at about $5 million starting in 1995, although earlier implementation. The impact on increasing the capacity of the network would modest, but the improved scheduling of maintenance attacking the highest priority sections first would be substantial. The B/C ratio of the project is expected to be large, though it is not possible to present an approximate value at this time.

| | |
|---|---|
| Cost: | $5 million |
| Capacity Increase: | modest |
| Cost Reduction: | large |
| B/C ratio: | large |

9. Trucks and spares for container deliveries from the port

The project shall provide the regional ports of Mozambique with self loading trucks and trailers to deliver containers directly to customers from the port and to transport LCL containers between port and container depot outside the port.

At present import containers arriving in the port of Maputo, Beira and Nacala wait for the consignees to come and pick up their cargo stored in the container. Usually a consignee has no means of handling the container at his own premises. He therefore breaks the container and loads the content on to his own truck, which is usually small, and can take only part of the container load. As a consequence the container will remain in the port sometimes for 60 days and more. Also, the stuffing and stripping of the container inside the port spread the cargo over large areas and adds to port congestion.

The objective of this project is to form an independent organization that services the road hauler, freight forwarder, and other container operators, and that picks up and delivers full door to door containers to the customers.

At present the container terminal in Maputo works only 20-25% of capacity but with the expected improvement in rail service and the subsequent larger volume of containerized cargo the need for an efficient container haulage by truck may come quickly.

The initial need will be 12 sets of self loading trucks with trailers. The capacity of truck and trailer shall be 22 tons each. A maintenance and spare part fund shall be included to guarantee spare part availability for three years.

Benefits of Project

The main benefits from the project are:

- increased utilization of containers
- less inventory cost
- saving on container storage area

If the present lay-time of the door to door and LCL containers is 45 days and the proposed service could reduce it to 15 days, the non-productive time for container and cargo will;l be reduced by 30 days.

The company in Maputo will have 60% of the assets. Lifetime of truck - trailer set assumed to be 6 years replacement cost US$240,000 per year maintenance and other operating cost US$430,000.

Indices of Per Capita Food Production
1976, 1980 and 1985 (1976-78 = 100)

| Country | 1976 | 1980 | 1985 |
|---|---|---|---|
| Angola | 105 | 92 | 79 |
| Malawi | 99 | 99 | 98 |
| Mozambique | 96 | 99 | 84 |
| Tanzania | 100 | 96 | 95 |
| Zambia | 109 | 84 | 92 |
| Zimbabwe | 102 | 83 | 95 |

Source: USDA, World Indices of Agricultural and Food Production, 1976-85

N.B. Data not given for BLS countries.

Previous Page Blank

II-B

TABLE B
SADCC Countries: Cereals Consumption, 1987

| Country | Country Characteristics | Per Capita Consumption of Cereals (KG) |
|---|---|---|
| Angola | Low income, food deficit country. Civil disturbances, inadequate port, rail and road. | 72 |
| Botswana | Land-locked country, drought prone. Agric. production only in the east and southeast. All imports through South Africa. | 175 |
| Lesotho | Land-locked, low income, food deficit country. All imports through South Africa. | |
| Malawi | Land-locked country. Importer and exporter of grain, mainly through Dar es Salaam. Donor grain swaps overland. | 69 |
| Mozambique | Low income, food deficit country. Affected by civil strife and guerillas lack of fuel and spares. | 69 |
| Swaziland | Land-locaked country. Good road network, imports through South Africa. | 180 |
| Tanzania | Low income country. Cereals surplus in the south and southwest, deficits in the northwest. Serious distribution difficulties. | 136 |
| Zambia | Land locked country. Low income, food deficit. Imports through Dar es Salaam. Poor roads and connections. | 158 |
| Zimbabwe | Land-locked country. Exporter and importer of grain through Mozambique and South Africa and by road to food deficit neighbors. | 174 |

SADCC Countries: Cereals Position for 1984/85 and 1987/88
('000 mt)

| Country | Production | | Total Cereal Import Requirements | | Commercial Imports | | Food Aid Requirements | | Production as % Total Requirements | | Food Aid As % Total Requirements | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1984/85 | 1987/88 | 1984/85 | 1987/88 | 1984/85 | 1987/88 | 1984/85 | 1987/88 | 1984/85 | 1987/88 | 1984/85 | 1987/88 |
| Angola | 335 | 350 | 320 | 340 | 238 | 100 | 82 | 240 | 50.0 | 50.7 | 12.5 | 35.0 |
| Botswana | 8 | 26 | 200 | 202 | 153 | 142 | 47 | 60 | 3.8 | 11.4 | 22.6 | 26.3 |
| Lesotho | 140 | 149 | 180 | 187 | 106 | 147 | 74 | 40 | 63.6 | 44.3 | 33.6 | 13.9 |
| Malawi | n.a. | 1258 | n.a. | 195 | n.a. | 73 | n.a. | 122 | n.a. | 97.3 | n.a. | 5.3 |
| Mozambique | 378 | 350 | 620 | 750 | 120 | 0 | 500 | 750 | 37.9 | 31.8 | 50.1 | 68.2 |
| Swaziland | n.a. | 100 | n.a. | 57 | n.a. | 55 | n.a. | 2 | n.a. | 63.6 | n.a. | 1.3 |
| Tanzania | 2510 | 4034 | 450 | 100 | 236 | 50 | 214 | 50 | 84.7 | 97.5 | 8.5 | 2.4 |
| Zambia | 920 | 1040 | 335 | 160 | 120 | 50 | 215 | 110 | 73.3 | 86.6 | 17.1 | 9.1 |
| Zimbabwe | 1758 | 1468 | 460 | 132 | 255 | 97 | 205 | 35 | 79.0 | 91.7 | 9.2 | 2.2 |

Source: For 1984/85: SADCC: Macroeconomic Survey, 1985, pg 89.
For 1987/88: Food Supply Situation, FAO Special Report, October 1987

## Current Number of Research Personnel by Country and Level of Position

| Staff | Country | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Botswana | Lesotho | Malawi | Mozambique | Swaziland | Tanzania[a] | Zambia | Zimbabwe | Total |
| Administrative | | | | | | | | | |
| Positions vacant | 2 | 0 | 1 | 11 | 0 | 106 | 0 | 3 | 123 |
| Staff in training | 0 | 0 | 0 | 0 | 0 | 9 | 0 | 4 | 13 |
| Nationals in posts | 12 | 3 | 14 | 57 | 1 | 837 | 27 | 92 | 1,043 |
| Expatriates | 3 | 0 | 8 | 3 | 1 | 1 | 1 | 0 | 17 |
| Subtotal, Administrative Staff | 15 | 3 | 22 | 60 | 2 | 888 | 28 | 92 | 1,060 |
| Professional[b] | | | | | | | | | |
| Positions vacant | 1 | 0 | 37 | 14 | 1 | 58 | 0 | 31 | 142 |
| Staff in training | 14 | 12 | 39 | 0 | 0 | 46 | 29 | 32 | 172 |
| Nationals in posts | 17 | 6 | 147 | 15 | 8 | 276 | 112 | 196 | 777 |
| Expatriates | 29 | 9 | 30 | 68 | 16 | 77 | 100 | 26 | 355 |
| Subtotal, Professional Staff | 46 | 15 | 177 | 83 | 24 | 353 | 212 | 222 | 1,132 |
| Technical[c] | | | | | | | | | |
| Positions vacant | 2 | 0 | 38 | 28 | 2 | 52 | 0 | 32 | 154 |
| Staff in training | 0 | 2 | 8 | 1 | 0 | 68 | 9 | 9 | 97 |
| Nationals in posts | 32 | 28 | 120 | 222 | 34 | 793 | 133 | 234 | 1,596 |
| Expatriates | 0 | 0 | 0 | 10 | 0 | 1 | 2 | 3 | 16 |
| Subtotal, Technical Staff | 32 | 28 | 120 | 232 | 36 | 794 | 135 | 237 | 1,612 |

[a]In some cases, staff in training also are counted in authorized posts.

[b]Professional = BSc or above.

[c]Technical = diploma, except for Lesotho, Mozambique, Zimbabwe where technical = diploma and certificate.

Source: Data collected from the DEVRES/SADCC Agricultural Research Resource Assessment, 1984.

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II-E

TOTAL PROJECTED DEMAND FOR TRAINED AGRICULTURAL PERSONNEL YEAR 2000 IN SADCC BY TRAINING LEVEL AND COUNTRY

| Country | Ph.D | M.Sc. | B.Sc. | Diploma & Certificate | Total |
|---|---|---|---|---|---|
| Botswana | 19 | 56 | 158 | 336 | 559 |
| Lesotho | 38 | 114 | 324 | 666 | 1142 |
| Malawi | 229 | 687 | 1959 | 4036 | 6910 |
| Mozambique | 184 | 552 | 1565 | 3222 | 5522 |
| Swaziland | 12 | 37 | 105 | 216 | 370 |
| Tanzania | 699 | 2098 | 6096 | 12594 | 21487 |
| Zambia | 180 | 541 | 1496 | 3068 | 5286 |
| Zimbabwe | 135 | 406 | 1151 | 2368 | 4061 |
| Total | 1497 | 4492 | 12853 | 26496 | 45337 |

Source: FAO & SACCAR

TRADE

## Matrix of Trade Development Options and Their Possible Relation to Prototype Trade Regimes in Southern Africa

| Trade Development Options | Prototype Trade Regimes in Southern Africa | | | |
|---|---|---|---|---|
| | Type 1 Severe Anti-Export Bias | Type 2 Moderate Anti-Export Bias | Type 3 Weak Anti-Export Bias | Type 4 Neutral/ to Mild Pro-Export |
| BARTER AND COUNTER TRADE | + | 0 | - | - |
| BILATERAL TRADE AGREEMENTS | + | + | 0 | - |
| REGIONAL TRADE ARRANGEMENTS | - | + | + | 0 |
| REST OF WORLD TARIFF, TRADE PREFERENCES FOR REGIONS, COUNTRY GROUPINGS | 0 | + | + | + |
| DONOR PROJECT PROCUREMENT REDIRECTION | 0 | + | + | + |

| Trade Development Options | Prototype Trade Regimes in Southern Africa | | | |
|---|---|---|---|---|
| | Type 1 Severe Anti-Export Bias | Type 2 Moderate Anti-Export Bias | Type 3 Weak Anti-Export Bias | Type 4 Neutral/ to Mild Pro-Export |
| EXPORT LICENSING REDUCTION/ ELIMINATION | - | + | + | 0 |
| REHABILITATION FOR EXPORT SECTORS | + | + | 0 | 0 |
| PRIORITY ADMINISTRATIVE ACCESS TO IMPORTS | + | + | 0 | - |
| DUTY DRAWBACK SCHEMES | + | + | + | + |
| EXPORT SUBSIDIES | 0 | + | + | 0 |
| EXPORT PROCESSING ZONES/BONDED WAREHOUSES | - | 0 | + | + |
| FOREIGN EXCHANGE RETENTION SCHEMES | + | + | 0 | - |
| CROSS-SUBSIDIES | 0 | + | + | 0 |
| EXPORT TARGETING | - | 0 | + | + |
| DIRECT EXPORT SUBSIDIES | - | + | + | 0 |
| COMPETITIVE LABOR COSTS | + | + | + | + |
| PROVISION OF INFRASTRUCTURE | 0 | + | + | + |
| INDUSTRIAL ESTATES | 0 | + | + | + |
| GOVERNMENT INSTITUTIONAL EXPORT PROMOTION ACTIVITIES | 0 | 0 | + | + |
| EXPORT TRAINING | 0 | 0 | + | + |

| Trade Development Options | Prototype Trade Regimes in Southern Africa | | | |
|---|---|---|---|---|
| | Type 1 | Type 2 | Type 3 | Type 4 |
| | Severe Anti-Export Bias | Moderate Anti-Export Bias | Weak Anti-Export Bias | Neutral/ to Mild Pro-Export |
| GOVERNMENT EXPORT EXPEDITING AGENCIES | + | + | + | 0 |
| ACCESS TO DOMESTIC WORKING CAPITAL | + | + | + | 0 |
| SHORT-TERM EXPORT CREDIT AND INSURANCE | 0 | + | + | + |
| MEDIUM AND LONGER TERM SUPPLIERS' CREDIT | 0 | 0 | + | + |
| TRAVEL AND CONSULTING ALLOWANCES | - | 0 | + | + |
| CAPITAL TRANSFERS | - | 0 | + | + |
| PROMOTION OF PRIMARY PRODUCT EXPORTS | + | + | 0 | - |
| PROMOTION OF EXPORT PROCESSING INDUSTRIES | 0 | + | + | = |
| ACCEPTING MULTINATIONAL CORPORATIONS AND FOREIGN INVESTMENT | - | 0 | + | + |
| TRADING COMPANIES AND FOREIGN BUYERS | - | + | + | + |

Key to Prototype Trade Regimes:

Type 1: Severe Anti-Export Bias -- Heavily administered economy, severe foreign exchange rate overvaluation

Type 2: Moderate Anti-Export Bias -- Moderately administered economy, moderate foreign exchange rate overvaluation

Type 3: Weak Anti-Export Bias -- Few areas of direct administrative control, beginnings of indirect control of economic aggregates, small foreign exchange rate overvaluation

Type 4: Neutral/to Mild Pro-Export -- Predominance of indirect controls in economy, market-clearing foreign exchange rate, may be slightly undervalued

Key to Symbols:

0 = neutral impact for type of trade regime
+ = positive impact for type of trade regime
- = negative impact for type of trade regime

TRADE

# Initial Description of Trade Development Options Available to Southern African Countries

## Measures to Stimulate Exports

There is a broad range of measures often applied in efforts to stimulate export activity and otherwise affect trade. These are not mutually exclusive, some are broad and contain elements of other measures more narrowly proscribed. Nor is there an absolute order in which such measures should be applied, if a nation wanted successively to adopt trade measures, followed later by additional or alternative measures to further promote export activity and encourage trade development. However, there may well be categories of measures most appropriate to particular trade regimes. The following list provides a brief description of incentive measures.[1]

A separate Matrix of Trade Development Options makes a crude, initial effort to "order" these incentives relative to the various conditions of trade regimes in Southern Africa. This gives a rough indication of which incentives may be appropriate for individual countries under particular trade regimes. It is also possible to see a possible "progression" through various trade development measures as countries change trade regimes

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[1] This list draws among other sources from: Donald B.Keesing, Trade Policy for Developing Countries, World Bank Staff Working Paper No. 353 (Washington D.C.: World Bank, August, 1979).

through macroeconomic reform efforts (or retrogress to more restrictive trade regimes by back-sliding or abandoning reform efforts).

BARTER AND COUNTER TRADE - Perhaps the "crudest" version of trade stimulation, barter deals promote direct exchange of goods (particular exports in return for specified imports) between countries without any financial payment and excluding third parties. Counter-purchase agreements involve export sales stipulating that payment is to be made partly or fully in commodities and is to be settled over a specified time.

BILATERAL TRADE AGREEMENTS - Usually are associated with bilateral clearing arrangements and stipulate non-binding expressions of intent to exchange a pre-determined range of products up to a specified overall value. Such agreements are usually multi-year while on a yearly basis the two countries establish a "book account" to keep track of trade in mutually agreed products to be exchanged. A swing credit limit is also established which sets the maximum amount by which the clearing account can be imbalanced, often beyond which the agreement stipulates clearing in convertible currency.[2]

REGIONAL TRADE ARRANGEMENTS - Groupings of countries with regional proximity and/or common interests can develop common trade stimuli among members while erecting uniform barriers to trade with outsiders. This is supposed to promote diversion of trade away from outsiders to the benefit of member countries. It is also supposed to stimulate specialization and exploitation of comparative advantage within the grouping of countries, widen markets and promote efficiency through economies of scale.

REST OF WORLD TARIFF, TRADE PREFERENCES FOR REGIONS, COUNTRY GROUPINGS - At the broadest level such preferences for developing countries already exist under several schemes, including the Lome Conventions and the Generalized System of Preferences. Under Lome Conventions, both a trade and aid arrangement between the EEC and 66 African, Caribbean and Pacific (ACP) states (including 45 African states) there is guaranteed duty-free entry into the EEC for some commodities produced by the ACP, aid programs, promotion of EEC investment in ACP countries and a stabilization of export earnings scheme (Stabex) to cover losses of earnings

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[2] For a discussion of barter and counter trade issues, see: Chr. Michelsen Institute, SADCC Intra-Regional Trade Study, Appendix II: "A Background on Some Counter-Trade Issues" (Gaborone, Botswana: SADCC Secretariat, January, 1986) pp. 117-124.

caused by a drop in prices or production of the main ACP agricultural exports. The Generalized System of Preferences, started in 1968 and subscribed to by some 20 developed countries, provides duty-free treatment of a broad range of developing country products. Under the U.S. GSP program there is duty-free treatment of some 3,000 products from 140 developing countries and territories (although such items constitute only approximately 3% of total U.S. imports).[3] Other more focused preferential arrangements exist, for example the Caribbean Basin Initiative of the U.S.

For groupings of countries with special concerns among the rest of the world, it is feasible to consider seeking ACCELERATED PREFERENCES for trade stimulation. Thus, the Front Line States, organized as SADCC, might seek additional trade advantages among industrial countries opposed to apartheid in South Africa. This must be done on a regional basis, but offers promise in capturing some of the "goodwill" support for black majority-ruled countries in Southern Africa facing South Africa.

DONOR PROJECT PROCUREMENT REDIRECTION - Among the many hundreds of millions of US dollars worth of project assistance to Africa, there are many project inputs which could be procured in Africa rather than from the donor or other "rest of world" sources. Active efforts to redirect some of the procurement, where appropriate products are produced in African States, can stimulate foreign exchange earnings. An example of such a program is the Zimbabwe Export Promotion Programme program to help local suppliers and manufacturers sell their goods and services to donor projects being carried out in Zimbabwe and neighboring countries. Another related example is the Swedish International Development Authority's efforts to compile a Directory of Development Consultants to stimulate regional procurement of consultancy services for SIDA funded programs in Southern Africa (especially SADCC).

EXPORT LICENSING REDUCTION/ELIMINATION - Typical of administered economies and a colonial heritage are various restrictions on exports, generally categorized as export licensing. Governments seek to restrict and/or control exports of particular (or in extreme cases all) products for a variety

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[3] For a brief discussion of the U.S. Generalized System of Preferences, see: U.S. Agency for International Development, Bureau for Program and Policy Coordination, A.I.D. Policy Paper: Trade Development, Annex C: Background Information on the U.S. Generalized System of Preferences Program (GSP)" (Washington D.C.: A.I.D., July,1986) pp. 20-21.

of reasons. These include protection of adequate domestic stocks (especially for foodstuffs), quality control, exercise of responsibility under multi-country commodity agreements, etc. Often export licensing/control is excessive, way beyond any controls mandated by commodity agreements or protection of export quality. Reductions of such licensing can contribute to reducing an anti-export bias.

REHABILITATION FOR EXPORT SECTORS - Among African economies there is a prevalence of deteriorated infrastructure and production facilities associated with once more productive and active export products. War or internal instability, economic decline, and severe forms of administered economic programs under cases of structural imbalance contribute to once buoyant export production deteriorating, becoming inefficient and high-cost. There is room for donor rehabilitation projects to target as a high priority sectors or products in agriculture, processing and/or manufacturing which could regain efficiency and earn foreign exchange through exports.

PRIORITY ADMINISTRATIVE ACCESS TO IMPORTS - Typical of administered economies is import licensing through complex administrative allocations of scarce foreign exchange (within overvalued exchange rate situations). Often there is an anti-export bias within the import licensing system, either due to the importance of historical shares in continuing allocation or the relative financial attractiveness of domestic production behind protective barriers. One of the first areas where governments seek to reduce the anti-export bias and stimulate more exports is priority provision of access to imported inputs for export production. This usually provides producers with their direct imported input requirements for export production; it is very inefficient in providing for imported inputs to indirect production going into export products or for assuring an adequate supply of imported inputs for the domestic portion of an export producer's output.

DUTY DRAWBACK SCHEMES - One hindrance to export production can be tariffs and other taxes levied on imported inputs required to produce exports. Given the highly competitive world market and the common practice among countries of duty-free access to imported inputs together with rebates on all indirect taxes, a severe anti-export bias is present where such taxes must be paid by export producers. While a moderate hindrance to exports based on local raw materials, it is a prohibitive constraint on "footloose" export products which can be produced/assembled in a broad range of countries. Intense competition means that priority in location of production/assembly operations goes to the

countries with the most competitive financial packages, i.e. the least anti-export bias. As countries attempt to diversify exports into commodity processing and light manufacturing, they are at first essentially providing cheap production capacity, which must be of good quality, efficient, and with competitive provision of all the necessary imported and domestic inputs. Lacking such a package, exports cannot be competitive on world markets.

EXPORT SUBSIDIES - Administrative complications in operating duty drawback schemes sometimes lead to a less direct means of rebating indirect taxes. This takes the form of a subsidy, usually ad valorem, which is based on some estimate of the average indirect tax on a product. This can be construed by trading partners as an outright subsidy rather than a rebate of indirect taxes paid and it is often difficult to substantiate the legitimacy of the subsidy rates being paid. Variations on such an approach could include provision of certificates to exporters with which they can pay taxes, less likely to trigger retaliation. Another variation focuses on domestic subsidization of intermediate input production, attempting to hold down input costs to exporters while at the same time extending domestic import substitution. This is dangerous since it is costly and often still penalizes export producers through limited access to inferior substitutes for imported inputs.

EXPORT PROCESSING ZONES/BONDED WAREHOUSES - A cleaner administrative solution to avoiding taxation of exports is sometimes accomplished through physical segregation of export production facilities. Where producers exclusively or predominately produce for export markets, processing zones can be created which serve effectively to allow duty and indirect tax-free importation and production. Alternatively in some cases bonded warehouses can allow export producers access to duty free imports. Typically processing zones only function well for "footloose" assembly and processing activities, but here the zones function to reduce administration and hindrances to efficient production for external markets. Lack of trust, enforcement and/or inadequate penalties for violation of rules often mean that developing country governments are hesitant to free-up direct controls and move to these solutions even in cases where they are appropriate.

FOREIGN EXCHANGE RETENTION SCHEMES - Inherently associated with exchange controls and administered import systems, one stimulus to exports is often a provision allowing producers to retain a share of the net foreign exchange earnings from exports. Typically this "extra" foreign exchange has less stringent controls on its use, perhaps involving automatic

import licensing for categories of allowable goods. In less controlled trade regimes such retained foreign exchange may be used for invisibles such as foreign travel, management consulting services, market development.

CROSS-SUBSIDIES - In controlled trade regimes using protection, import licensing and exchange restrictions, government has the power to cross-subsidize exports by granting privileges and thereby higher profits on domestic production. Protection of domestic market profitability at high levels can be used to make export activity privately profitable to producers. Administered prices and control on competition for domestic producers complement the tools from the trade regime in allowing government to subsidize export activity at the expense of the domestic market. This can be dangerous since it saddles the domestic economy with high cost goods, contradicts the need to make domestic inputs cost-competitive, and unless temporary makes the home market more lucrative than the export market. In one sense cross-subsidies may only neutralize the anti-export bias inherent in the controlled trade regime.

EXPORT TARGETING - This is a stronger, more selective version of cross-subsidization. Where governments can identify areas of efficient potential export opportunity, a package of conditions may be put together to stimulate producers to become competitive in these emerging areas of comparative advantage. Use of many of the tools described here can provide favored treatment to exporters, thus effectively neutralizing any anti-export bias and probably going further to provide selective pro-export encouragement and subsidization. Again extreme caution must be exercised so that the wrong emerging export sectors are not selected which never mature into efficient producers no longer needing subsidies. Also it is often very much a second-best solution to changes in the exchange rate and a dismantling of the direct administrative controls which cause an anti-export bias in the first place.

DIRECT EXPORT SUBSIDIES - One version of export targeting may involve direct financial subsidies to promising export sectors. This may be used in trade regimes moving away from exchange overvaluation and direct controls, since a dismantling of controls and reduction of overvaluation removes many of the tools government could use to provide "privileges" to selected exporters. These subsidies are still second-best to reformed and liberalized trade regimes. But they have been used effectively to nurture "infant" activity in exporting and to help firms along the learning curve towards improved efficiency. Objections by trading partners and threats of retaliation likely limit the wide-spread use of this approach and require removal once the

export sector gains some size and visibility in penetrating foreign markets.

COMPETITIVE LABOR COSTS - The harsh reality of international trade is an abundance of energetic, skilled, low-cost labor in many countries emerging as export forces in world markets. This sets a standard which cannot be ignored with impunity by other developing (and developed) countries in their trade development strategies. Formal sector policies to raise wages and well-being through social welfare benefits may be self-defeating on a national scale if compensation is excessive for worker productivity and world levels of compensation. Such well-meaning social programs, often focused on urban and organized workers, come often at the expense of unorganized and rural groups whose compensation is lowered by cross-group subsidies and deflated overall growth rates. Always a sensitive area, it nevertheless must be recognized that government policies related to labor and compensation have a great deal to do in making export production more or less competitive with world levels of production cost.

PROVISION OF INFRASTRUCTURE - Many types of infrastructure are social in nature and emanate from government development efforts. These include transportation, communication, education, utilities, and public administrative services. It is possible to prioritize development and enhancement of such infrastructure with requirements of exporters coming ahead of other groups in society. Also it is possible to accelerate the provision of such services to exporters and assure that they receive services equal to that provided in other competing nations.

INDUSTRIAL ESTATES - A more active provision of infrastructure can move across the line to also provide facilities which otherwise would have to be provided by the producers directly. Thus, industrial parks with installed access roads, floor space, utilities and other amenities can be provided at subsidized cost to accelerate export activity and subsidize its initial development. While a feasible incentive for any type of production enterprise, this concept can and often is focused on priority objectives like export enhancement.

GOVERNMENT INSTITUTIONAL EXPORT PROMOTION ACTIVITIES - A common instinct of governments is to organize and fund official export promotion agencies which offer assistance to exporters in marketing and non-price considerations. Such activities usually include information sources, trade inquiries, trade shows and other forms of promotion, and market research. Often such activates are inappropriately timed and inadequate to the promotion required, coming

amidst severe anti-export bias. In more favorable trade regimes the business sector is likely to pursue the types of promotion activates required on its own. It is mid-way into trade liberalization when such institutional activities may be valuable as the anti-export bias is weakened and financial opportunities for the first time are favorable in the export sector, long ignored by producers seeking higher returns in the protected home markets.

EXPORT TRAINING - Often but not always a part of export promotion, training managers and producers in the skills of exporting can be a valuable contribution to increased awareness and effectiveness in penetrating foreign markets. This not only includes foreign marketing and the financial details of foreign orders, but equally important the ability to cater to foreign standards and design criteria.

GOVERNMENT EXPORT EXPEDITING AGENCIES - Quite distinct from the usual export promotion activities governments instinctively adopt (with considerable pressure from U.N. agencies), there is a role for a one-stop, proactive agency to champion the needs and stimulation of exporters. Governments intent upon strengthening export production could do a great deal to reduce the administrative burden of laws and regulations. If an agency with real strength can facilitate decision-making and clearance for exporters, it can be a very valuable stimulus to exports and can signal a true dedication of government to get out of the way of export activity to the greatest extent possible. However, this is a difficult assignment for an agency, since it must encroach upon the administrative territory of many other government agencies and seek priority favorable treatment for exporters as a privileged group.

ACCESS TO DOMESTIC WORKING CAPITAL - Operating balances during production, prior to shipment, can be a constraint on any producer, including exporters. The provision of liberal or accelerated credit at this stage of production for export can facilitate export activity. This can be especially attractive if the terms for operating balance credit are more liberal to exporters than to other producers. This is another way in which government can help tip the balance in favor of exports.

SHORT-TERM EXPORT CREDIT AND INSURANCE - An export credit agency can be a strong incentive helping foreign buyers purchase exports. It is also increasingly important as the practice becomes more widespread, so that countries not providing such a facility place their producers at a disadvantage. While usually subsidized, such agencies are regulated by an international code on allowable interest rates and practices: the Berne Union.

MEDIUM AND LONGER TERM SUPPLIERS' CREDIT - An advanced form of export credit may come in the form of an Export-Import Bank, offering a broader range of services, longer terms, and larger backing for credit provision. Often this is most appropriate for heavy industrial goods where long-term payback periods are necessary.

TRAVEL AND CONSULTING ALLOWANCES - Essential to learning international markets and remaining competitive is frequent travel and consultation. This includes export producers and marketing staff visiting foreign markets as well as foreign customers and experts visiting the production facilities. Exchange controls often severely hamper this activity even when other export incentives are being offered, thus severely limiting the effectiveness of the broader incentive environment being offered. One way to provide some discipline and also flexibility in such invisibles is to allow exporters to use their retained foreign exchange for such purposes or for imports of allowable inputs.

CAPITAL TRANSFERS - At more advanced stages of export activity and foreign market penetration, it becomes important for large producers and/or trading houses to establish abroad: subsidiaries, offices, branches and perhaps joint ventures. Such connections abroad become critical to penetrating markets, staying current on changing tastes and product standards, and increasing export orders. Exchange restrictions create a climate where government fears such foreign connections, since transfer pricing, under- and over-invoicing and other tactics can be used to move capital against government restrictions. As the trade regime is liberalized and freed of direct controls, there is less danger of such practices while there is greater need for such arrangements to support increasingly sophisticated export activities.

PROMOTION OF PRIMARY PRODUCT EXPORTS - Often the full potential for production and export of commodities, both agricultural and mineral, is not achieved because of large scale economies and externalities. Adequate incentives are an absolute prerequisite, including favorable primary sector procurement prices, exchange rates, and taxes. But general infrastructure: including transportation, marketing, supporting utilities and inputs, and extension activities, must be efficient and properly priced. This often falls upon government either to provide directly or to promote through adequate incentives to private sector producers. Long gestation periods and large investments may mean government has to be active in infrastructure provision. And yet sound financial arrangements and eventual cost recovery are essential in most cases, since massive

subsidies in this area cause government fiscal deficits and macroeconomic disequilibrium which itself hinders export activity.

PROMOTION OF EXPORT PROCESSING INDUSTRIES - This is typically an initial area where countries attempt to increase value added by deepening the domestic handling of a primary product before it is exported. Sometimes such processing is labor intensive and hardly more than extensions of agriculture. Other times it is capital intensive and technically complex. But in almost all cases there is a financial inducement to such processing in the country of primary product origin stemming from transport cost protection, i.e. the cost savings of reducing weight/bulk relative to value. Often governments provide excessive subsidy/encouragement to such activity in the belief that it is a key to industrialization. In restrictive trade regimes general conditions may mean that such activity is premature and only feasible with excessive subsidy, which can be a continuing drain on resources unless the economy moves toward a freer trade environment. With adequate supply of primary products, where comparative advantage typically lies, and moves towards a freer trade regime, such processing will naturally become feasible and lucrative. Selective encouragement by government at the right stages of reform can increase the benefits from such processing for export.

ACCEPTING MULTI-NATIONAL CORPORATIONS AND FOREIGN INVESTMENT- Although most pertinent to more sophisticated types of manufacturing, foreign investment often is associated with plantation crops, minerals, and some consumer goods. Despite the lively debate about exploitation by MNC's and widespread controls on their activities in developing nations, there is a role for properly controlled foreign investment in trade development. The presence of major world producers of products in a nation introduces production and management techniques, access to capital and marketing facilities, and possible stimulation of domestic comparative advantage. Basic reform of administered trade regimes is often necessary before foreign investment will enter an economy.

TRADING COMPANIES AND FOREIGN BUYERS - Many labor intensive consumer goods and simpler, standardized producer goods are produced by locally owned enterprises among a number of developing nations. Trade in these products is largely organized by major foreign buyers and trading companies. Such entities play a crucial role in entering export markets for such goods. Favorable treatment of these trade facilitators can open new markets and promote rapid gains in production of basic manufactured goods.

ANNEX IV

## AN OVERVIEW OF SADCC

The Southern African Development Coordination Conference (SADCC) was established at a meeting between the heads of government of nine southern African countries (Angola. Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe) in Lusaka in April 1980. The Lusaka Declaration which created SADCC also extended an invitation to international institutions and countries outside southern Africa to cooperate in implementing specific projects and programs for the development of the SADCC member states and the reduction of their economic dependence, particularly on the Republic of South Africa.

The members of SADCC, taken collectively, are a significant economic group, with over 70 million people and a combined GDP of about $19 billion. The region is well endowed with important natural resources, with gold and minerals comprising 80% of the export value of the region. Individually, however, most of their economies are not strong, being dependent on outside markets and transport, and with significant differences in population, geographic size, per capita income and resource endowment. GDP per capita (1986) varies from $160 in Malawi to $840 in Botswana. Most SADCC countries are heavily dependent on agriculture and the export of one or two basic commodities and are, therefore, extremely susceptible to fluctuations in world market commodity prices and the vagaries of weather and natural disasters. Only two countries, Zimbabwe and Swaziland, have significant manufacturing sectors. Four - Angola, Botswana, Zambia and Zimbabwe - have significant mining sectors which earn substantial foreign exchange.

External assistance, in terms of net ODA receipts for the SADCC countries as a group, averaged $41 per capita in 1986, although there were significant differences on a country-to-country basis, ranging from $11 per capita in the case of Angola to $92 per capita for Botswana. Net ODA receipts as a percent of GNP ranged from less than 2% in Angola and 4% in Swaziland, to 17% in Malawi and 31% in Zambia.

### Formation of SADCC

The initiative to create SADCC developed from the political cooperation of the "Front Line States" (Angola, Botswana, Mozambique, Tanzania and Zambia) in supporting independence for Zimbabwe and Namibia and the abolition of apartheid in South Africa. The objective of majority rule in all of Southern Africa, however, was combined with a strong awareness of the continuing economic dependence of the independent Southern African states on the Republic of South Africa. With independence and majority rule in Zimbabwe in 1980, the Front Line States focused their attention on the political issues of Namibia and apartheid and the economic position of the independent states vis-a-vis South Africa.

In the late 1970s, South Africa had sought to create a "Constellation of Southern African States", or "CONSAS", as an economic grouping centered on South Africa, at least partly to strengthen the political process of establishing "independent homelands" within South Africa, and to draw a number of the independent Southern Africa states into a closer economic relationship. By having both internationally recognized independent countries and the new "independent homelands" as members, a CONSAS could also have improved the prospects for wider international recognition of the homelands. The independent Southern African states, however, in accordance with their own strong beliefs and the generally accepted position of the international community, refused to recognize the legitimacy of the "independence" being granted to former "Bantustans". Furthermore, they became more convinced of the need to strengthen their own economic position as a means of resisting the pressures from South Africa.

Botswana, Lesotho and Swaziland were particularly vulnerable to pressures to join a CONSAS due to their close economic links with South Africa and their participation with South Africa in the Southern African Customs Union and, in the case of Lesotho and Swaziland, the Rand Monetary Area. Among these three countries, Botswana was in the best position to act independently, and the then President of Botswana, Sir Seretse Khama, played the leading role in organizing a conference of Southern African countries at Arusha in Tanzania in 1979.

It was at the Arusha conference that the objective of the Southern African States that were to form SADCC were further developed, and the basis laid for the Lusaka Declaration a year later, following the establishment of majority rule in Zimbabwe.

The joint declaration that the nine Heads of Government issued in Lusaka on 1st April, 1980 created the basis for the establishment of SADCC and set out four principal objectives:

- -- a reduction in economic dependence, particularly, but not only, on South Africa;
- -- the forging of links to create a genuine and equitable regional integration;
- -- the mobilization of resources to promote the implementation of national, interstate and regional policies; and
- -- concerted action to secure international cooperation within the framework of SADCC's strategy for economic liberation.

The Lusaka Declaration also identified particular economic sectors for cooperation with emphasis on transport and communications, which was seen as critical to the objectives of

reducing dependence on South Africa, and indicated the intention to establish a Southern Africa Transport and Communications Commission.

The Declaration, in addition, invited international bodies and states outside Southern Africa to cooperate in implementing specific programs, and proposed an annual conference to review results, evaluate performance, identify strengths and weaknesses, and agree on future plans.

The decision at Lusaka formed the basis of a "Programme of Action" for SADCC, which identified certain priorities, and the time frame within which to undertake preparatory work in selected areas of activity. Importantly, it allocated responsibility for individual sectors, on behalf of SADCC, to specific member countries. This "Programme of Action" has subsequently been expanded and made more specific by various decisions of SADCC's Council of Ministers and meetings of the Summit, comprised of the Heads of State of member countries.

Organizational Structure

In establishing SADCC, member states were conscious of previous, unsuccessful attempts at regional cooperation and integration in Eastern and Southern Africa, and of the advantages of the flexible arrangements for political cooperation among the Front Line States. They decided, as a result, to establish a relatively informal and flexible association, with only a small secretariat having limited authority. Individual member states were to undertake the preparation and implementation of sectoral programs and projects determined by consensus, with the costs of the member country's sectoral coordinating unit underwritten by the member state itself.

The more formal elements of the new organization's structure were created by a Memorandum of Understanding approved by SADCC Heads of State or Government at a meeting in Harare, Zimbabwe, in July 1981. These are known as the SADCC "institutions", and are:

-- the Summit, consisting of Heads of State and Government of all member states, meeting annually, and responsible for the "general direction and control of the functions of SADCC and the achievement of its objectives";

-- the Council of Ministers of all member states, meeting two or three times per year, and responsible to the Summit for overall policy and the coordination and supervision of SADCC's activities, and for the approval of projects to be included in the "Programme of Action";

-- the Standing Committee of Officials, consisting of the permanent secretaries (or equivalents) of the Ministers on the Council, and performing collectively for the Council the functions a permanent secretary normally performs for his Minister, including the processing of budget and project proposals for Council approval; these officials or members of their staff are also normally the designated SADCC "contact points" in their countries;

-- the Secretariat, which is the executive arm of the organization, and which is headed by an Executive Secretary, who is the principal advisor to the Council of Ministers; and

-- Sectoral Commissions, which may be created by the Summit and established by an international convention ratified by the member states; to date, only the Southern Africa Transport and Communications Commission (SATCC) and, more recently, the Southern Africa Center for Cooperation in Agricultural Research (SACCAR) have been established as separate commissions.

In addition to these "institutions", which are recognized as entities distinct from the member states, there are:

-- the annual Consultative Conference, as envisaged in the Lusaka Declaration, which is held each year with SADCC's international cooperating partners (the SADCC term for donor countries and institutions); and

-- a number of Sectoral Committees, Coordinating Units, and Sectoral Coordinators, which have been set up for the various designated sectors (other than those for which Commissions have been established). For each of these sectors there is a "Coordinating Unit" headed by a Sector Coordinator. Each Coordinating Unit is part of the national administration of the member government with coordinating responsibility for that sector. It reports to a Sectoral Committee of Ministers and supporting committees of officials, these committees being made up of representatives of each member state. Each Sectoral Committee of Ministers reports to the SADCC Council of Ministers.

In practice, the coordinating units fulfill the same functions for other sectors as do the sectoral commissions for transport/communications and for agricultural research. They differ from the commissions, however, in that they are funded by the government with coordinating responsibility for the sector concerned, rather than by assessments on member states, and do not have a separate legal status.

SADCC itself is not established by treaty or convention, but, as already noted, by a somewhat less formal Memorandum of Understanding. Its Chairman is elected for a renewable term of three years. The President of Botswana has been Chairman since the inception of SADCC. The Chairmen of both the Council of Ministers and the Standing Committee of Officials come from the same country as the President holding the Chairmanship of the Summit.

The small Secretariat is based in Gaborone, Botswana. There is also a Liaison Committee in London, under the direction of the High Commissioner for Botswana, as well as similar liaison committees of ambassadors of SADCC member states, either established or in the process of being organized, in New York, Washington, Brussels, Stockholm and other centers. For historical reasons, however, the London Committee has been the most active.

The Secretariat, which was established in its present form under the full-time Executive Secretary in 1983, is intended to provide a linkage to maintain coherence and program consistency among the component parts of SADCC. Its principal responsibilities are to service meetings of the Summit, the Council of Ministers, the Standing Committee, and the annual Consultative Conference; to coordinate, liaise with, and support the sector coordinating units in member states; and to share with the Chairman of the Council of Ministers the role of presenting SADCC policies and needs to the international community. The latter task is undertaken with the support of the sectoral coordinators, and with the cooperation of diplomatic representatives of SADCC member states.

The Secretariat has also been allocated more of a program role in certain sectors or areas of activity where work might not otherwise be undertaken, as well as some responsibility for monitoring overall sectoral performance. In addition, responsibilities related to economic planning and analysis, including the preparation of regional macroeconomic surveys, have been added more recently.

In its coordination activity, the Secretariat works closely with the sector coordinators, who meet together regularly under their Secretariat's chairmanship to review the general progress of various components of the Programme of Action, to discuss financing and technical cooperation arrangements, and (in the case of the Nordic countries and the Commission of the European Communities) to conduct programming discussions with international cooperating partners.

SADCC's decentralized system of organization is intended, inter alia, to keep overhead costs to a minimum. The central Secretariat, for example, consists of six professional

officers and advisors. This design is also intended to provide for maximum involvement of member governments in both program preparation and implementation.

Sector Responsibilities

SADCC covers a number of sectors or sub-sectors for which a regional approach is to be undertaken, and for which individual member states have been designated to assume responsibility on behalf of SADCC. These sectoral responsibilities, as of mid-1987, are:

| | |
|---|---|
| Angola | energy; |
| Botswana | agricultural research (SACCAR), livestock production and animal disease control; |
| Lesotho | soil and water conservation and land utilization, and tourism; |
| Malawi | fisheries, wildlife and forestry; |
| Mozambique | transport and communications (SATCC); |
| Swaziland | manpower; |
| Tanzania | industry and trade |
| Zambia | mining |
| Zimbabwe | food security |

In the case of transport and communications, the Southern Africa Transport and Communication (SATCC) was created by a formal Convention approved by the Harare Summit in 1981, and subsequently ratified by member states. The Commission has its own Committee of Ministers, Coordinating Committee (of officials) and Secretariat (the SATCC Technical Unit), and is based in Maputo, Mozambique.

More recently, in 1985, the Southern Africa Center for Cooperation in Agricultural Research (SACCAR) was established under a separate Memorandum of Understanding, and is based in Gaborone, Botswana. SACCAR operates under the general supervision of the Consultative Technical Committee for Agricultural Research (CTC/AR), which includes the heads of agricultural research in each country and is in turn responsible to the Sectoral Committee of Ministers of Agriculture. SACCAR is intended to act in a coordinating role for intra-regional activities and as a documentation center for regional and, ultimately, national agricultural research activities. Individual regional programs are the responsibility of a Research Coordinator and designated executing agency or agencies for the particular commodity, with a Coordinating Committee for the commodity under SACCAR's chairmanship.

There is a general organizational pattern in all the sectors, including those covered by SATCC and SACCAR. On a day-to-day basis, sector work is the responsibility of the

sectoral coordinator, who heads a small secretariat known as the technical or coordinating unit. The coordinator is normally a senior civil servant working closely with his Ministers and permanent secretary, who in turn chair Ministerial and official-level sectoral committees. The coordinating unit's technical capacity may be reinforced by aid-funded experts. The work is supervised by the sectoral Committee of Ministers, who meet periodically, and who are served by the sectoral Committee of Officials, which normally meets more frequently and whose members also serve as the contact point for that sector in their respective countries. In some cases, there are also sub-sectoral technical committees to appraise projects for inclusion in the Programme of Action.

The government with coordinating responsibility for a particular sector is responsible for the consultation process, the provision of staff and office space, and the financing of the costs involved (except in the case of SATCC and SACCAR, which have their own secretariats and where costs are intended to be met by annual contributions from all member governments or by cooperating partners).

The sectoral coordinator and the coordinating unit are located in the appropriate ministry of the responsible government (except for SATCC and SACCAR). They have responsibility for undertaking the actual liaison and consultation with both the member states and SADCC's international cooperating partners, as well as providing leadership and technical services to advance the sector program. They convene and service the sectoral committees and are expected to organize sectoral consultative meetings with the cooperating partners as required. They are also expected to prepare sector strategy papers; initiate and guide project identification, appraisal and design (in consultation with the countries where projects are located); assist in identifying sources of financing and--on request--may provide technical support to the country in which a project is located for negotiations on project financing or other tasks.

Actual procedures in the various sectors differ somewhat, but generally follow a common pattern, including:

a) preparation of a regional sector strategy paper by the coordinating unit, discussion of the paper with other SADCC members through the sectoral committees, and final approval of the paper by the Council of Ministers;

b) identification of projects by the sectoral coordinating unit or by the country or countries directly concerned;

c) appraisal of proposed projects by the coordinating unit (and, in some sectors, by technical committees), so as to ascertain that the project is consistent with the objectives, strategy and criteria for the particular SADCC sector;

d) review of projects that pass the initial appraisal stage by the sectoral committee of officials, with a screened list then being submitted to the sectoral committee of Ministers; and

e) a final screening and approval by the SADCC Council of Ministers (with subsequent endorsement by the Summit).

Project approval by the Council of Ministers constitutes acceptance of the project into the SADCC Program of Action and authority for the sector coordinator and the country (or countries) where the project is to be located to seek external financing, either at the annual Consultative Conferences or by other contacts.

Once a project reaches the implementation stage, it is the government of the country or countries where the project is to be located that has the responsibility for negotiating financing and that enters into loan and other agreements and undertakes implementation. In some cases, however, as noted above, the sectoral coordinating unit may provide assistance in this process--as in the transport and communications sector, where SATCC has a more formal institutional identity and has been given a fairly broad role in coordinating efforts to improve transport and communications links among SADCC countries, and in the energy sector.

Development Indicators for Southern Africa

V-A-1

Table 1. Basic indicators

| | Population (millions) mid-1986 | Area (thousands of square kilometers) | GNP per capita: Dollars 1986 | GNP per capita: Average annual growth rate (percent) 1965-86 | Average annual rate of inflation (percent) 1965-80 | Average annual rate of inflation (percent) 1980-86 | Life expectancy at birth (years) 1986 |
|---|---|---|---|---|---|---|---|
| Southern African Countries | | | | | | | |
| Malawi | 7.4 | 119 | 160 | 1.5 | 7.0 | 12.4 | 45 |
| Mozambique | 14.2 | 802 | 210 | .. | .. | 28.1 | 48 |
| Tanzania | 23.0 | 945 | 250 | -0.3 | 9.9 | 21.5 | 53 |
| Zambia | 6.9 | 753 | 300 | -1.7 | 6.4 | 23.3 | 53 |
| Zimbabwe | 8.7 | 391 | 620 | 1.2 | 6.3 | 13.0 | 56 |
| Botswana | 1.1 | 600 | 840 | 8.8 | 6.0 | 7.6 | 59 |
| Lesotho | 1.6 | 30 | 370 | 5.6 | 8.0 | 13.1 | 55 |
| Swaziland | | | | | | | |
| Angola | 9.0 | 1,247 | .. | .. | .. | .. | 44 |
| South Africa | | | | | | | |
| South Africa | 32.3 | 1,221 | 1,850 | 0.4 | 9.9 | 13.6 | 61 |
| Country Groups | | | | | | | |
| Low-income economies | 2,493.0 t | 20,759 t | 270 w | 3.1 w | 4.6 w | 8.1 w | 61 w |
| China and India | 1,835.4 t | 0 t | 300 w | 3.7 w | 2.9 w | 5.3 w | 64 w |
| Other low-income | 657.6 t | 20,759 t | 200 w | 0.5 w | 11.3 w | 19.1 w | 52 w |
| Middle-income economies | 1,268.4 t | 37,278 t | 1,270 w | 2.6 w | 21.0 w | 56.8 w | 63 w |
| Lower middle-income | 691.2 t | 15,029 t | 750 w | 2.5 w | 22.3 w | 22.9 w | 59 w |
| Upper middle-income | 577.2 t | 22,249 t | 1,899 w | 2.8 w | 20.5 w | 72.0 w | 67 w |
| Developing economies | 3,761.4 t | 70,922 t | 610 w | 2.9 w | 16.7 w | 44.3 w | 61 w |
| Oil exporters | 538.3 t | 18,053 t | 930 w | 2.5 w | 15.3 w | 26.0 w | 59 w |
| Exporters of manufactures | 2,132.4 t | 22,472 t | 540 w | 4.0 w | 13.0 w | 51.0 w | 64 w |
| Highly indebted countries | 569.5 t | 21,213 t | 1,400 w | 2.3 w | 26.5 w | 91.6 w | 63 w |
| Sub-Saharan Africa | 424.1 t | 20,895 t | 370 w | 0.9 w | 12.5 w | 16.1 w | 50 w |
| High-income oil exporters | 19.1 t | 4,011 t | 6,740 w | 1.8 w | 16.4 w | -1.3 w | 64 w |
| Industrial market economies | 741.6 t | 30,935 t | 12,960 w | 2.3 w | 7.6 w | 5.3 w | 76 w |
| Nonreporting nonmembers | 367.3 t | 25,825 t | .. | .. | .. | .. | 69 w |

t: total; w: weighted calculation

Extracted from: The World Bank s World Development Report 1988

Development Indicators for Southern Africa



Table 2. Growth of Production

| | Average annual growth rate (percent) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | GDP | | Agriculture | | Industry | | (Manufacturing) a | | Services, etc. | |
| | 1965-80 | 1980-86 | 1965-80 | 1980-86 | 1965-80 | 1980-86 | 1965-80 | 1980-86 | 1965-80 | 1980-86 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 6.1 | 2.4 | .. | 2.5 | .. | 1.5 | .. | .. | .. | 2.8 |
| Mozambique | .. | -9.0 | .. | -15.9 | .. | -13.3 | .. | .. | .. | 0.2 |
| Tanzania | 3.7 | 0.9 | 1.6 | 0.8 | 4.2 | -4.5 | 5.6 | -4.6 | 6.9 | 2.9 |
| Zambia b | 1.8 | -0.1 | 2.2 | 2.8 | 2.1 | -0.7 | 5.3 | 0.6 | 1.5 | -0.5 |
| Zimbabwe | 4.4 | 2.6 | .. | 3.4 | .. | 0.8 | .. | 1.3 | .. | 3.7 |
| Botswana b | 14.3 | 11.9 | 9.7 | -9.8 | 24.0 | 19.1 | 13.5 | 6.2 | 11.5 | 7.6 |
| Lesotho | 6.6 | 6.9 * | .. | 1.6 * | .. | -3.9 * | .. | 16.1 * | .. | 2.7 * |
| Swaziland | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | |
| South Africa | 4.0 | 0.8 | .. | -1.3 | .. | -0.5 | .. | -1.7 | .. | 2.4 |
| Country Groups | | | | | | | | | | |
| Low-income economies | 4.8 w | 7.5 w | 2.7 w | 4.9 w | 7.5 w | 10.6 w | 7.6 w | 11.2 w | 5.1 w | 6.6 w |
| China and India | 5.3 w | 8.6 w | 2.9 w | 5.7 w | 8.0 w | 11.3 w | 7.9 w | 11.7 w | 5.7 w | 7.8 w |
| Other low-income | 3.1 w | 2.9 w | 1.9 w | 2.0 w | 4.6 w | 4.2 w | 4.8 w | 4.8 w | 3.8 w | 3.3 w |
| Middle-income economies | 6.6 w | 2.3 w | 3.4 w | 2.3 w | 7.0 w | 2.1 w | 8.2 w | 2.5 w | 7.6 w | 2.6 w |
| Lower middle-income | 6.5 w | 1.8 w | 3.4 w | 2.1 w | 8.4 w | 1.2 w | 7.4 w | 3.0 w | 7.5 w | 2.3 w |
| Upper middle-income | 6.7 w | 2.5 w | 3.4 w | 2.4 w | 6.5 w | 2.5 w | .. | 2.4 w | 7.7 w | 2.7 w |
| Developing economies | 6.1 w | 3.8 w | 3.1 w | 3.6 w | 7.2 w | 4.6 w | 8.0 w | 5.9 w | 7.1 w | 3.4 w |
| Oil exporters | 7.1 w | 1.7 w | 3.4 w | 2.4 w | 6.8 w | 1.6 w | 8.5 w | 2.4 w | 8.7 w | 1.9 w |
| Exporters of manufactures | 6.6 w | 6.2 w | 3.0 w | 5.0 w | 8.9 w | 7.8 w | 9.1 w | 8.6 w | 7.4 w | 5.3 w |
| Highly indebted countries | 6.6 w | 0.7 w | 3.0 w | 1.8 w | 7.3 w | -0.2 w | 7.3 w | 0.4 w | 7.2 w | 1.0 w |
| Sub-Saharan Africa | 5.6 w | 0.0 w | 1.6 w | 1.2 w | 9.4 w | -1.6 w | 8.5 w | 0.3 w | 7.5 w | 0.1 w |
| High-income oil exporters | 7.8 w | -3.3 w | 5.7 w | .. | 6.5 w | .. | 9.6 w | .. | 11.1 w | .. |
| Industrial market economies | 3.6 w | 2.5 w | 0.9 w | 2.5 w | 3.2 w | 2.5 w | 3.7 w | .. | 3.6 w | 2.6 w |

a. Because manufacturing is generally the most dynamic part of the industrial sector, its growth rate is shown separately.
b. GDP and its components are at purchaser values. c. World Bank estimate. * Figures for years other than those specified.
Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 3. Structure of production

| | GDP a (billions of dollars) | | Distribution of gross domestic product (percent) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Agriculture | | Industry | | (Manufacturing) b | | Services, etc. | |
| | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 220 | 1,100 | 50 | 37 | 13 | 18 | .. | 12 | 37 | 45 |
| Mozambique | .. | 4,300 | .. | 35 | .. | 12 | .. | .. | .. | 53 |
| Tanzania | 790 | 4,020 | 46 | 59 | 14 | 10 | 8 | 6 | 40 | 31 |
| Zambia c | 1,060 | 1,660 | 14 | 11 | 54 | 48 | 6 | 20 | 32 | 41 |
| Zimbabwe | 960 | 4,940 | 18 | 11 | 35 | 46 | 20 | 30 | 47 | 43 |
| Botswana c | 50 | 1,150 | 34 | 4 | 19 | 58 | 12 | 6 | 47 | 38 |
| Lesotho | 50 | 230 | 65 | 21 | 5 | 27 | 1 | 13 | 30 | 52 |
| Swaziland | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | |
| South Africa | 10,540 | 56,370 | 10 | 6 | 42 | 46 | 23 | 22 | 49 | 49 |
| Country Groups | | | | | | | | | | |
| Low-income economies | 146,330 t | 621,260 t | 42 w | 32 w | 28 w | 35 w | 21 w | 24 w | 30 w | 33 w |
| China and India | 111,850 t | 475,670 t | 42 w | 31 w | 31 w | 39 w | 24 w | 27 w | 27 w | 30 w |
| Other low-income | 34,480 t | 145,590 t | 43 w | 38 w | 18 w | 20 w | 10 w | 11 w | 41 w | 41 w |
| Middle-income economies | 202,630 t | 1,740,010 t | 22 w | 15 w | 33 w | 36 w | 19 w | 22 w | 45 w | 48 w |
| Lower middle-income | 65,950 t | 504,440 t | 30 w | 22 w | 25 w | 36 w | 15 w | 17 w | 43 w | 46 w |
| Upper middle-income | 136,680 t | 1,235,570 t | 18 w | 10 w | 37 w | 40 w | 21 w | 25 w | 46 w | 50 w |
| Developing economies | 348,960 t | 2,361,270 t | 30 w | 19 w | 31 w | 36 w | 20 w | .. | 38 w | 46 w |
| Oil exporters | 58,080 t | 642,360 t | 24 w | 18 w | 31 w | 33 w | 14 w | 15 w | 46 w | 49 w |
| Exporters of manufactures | 178,990 t | .. | 34 w | 22 w | 32 w | .. | 24 w | .. | 31 w | .. w |
| Highly indebted countries | 111,120 t | 713,560 t | 20 w | 15 w | 34 w | 36 | 22 w | .. | 46 w | 47 w |
| Sub-Saharan Africa | 26,440 t | 165,990 t | 45 w | 32 w | 19 w | 25 w | 9 w | 10 w | 37 w | 36 w |
| High-income oil exporters | 6,820 t | 153,270 t | 5 w | .. | 65 w | .. | 5 w | .. | 30 w | .. |
| Industrial market economies | 1,373,360 t | 10,451,880 t | 5 w | 3 w | 40 w | 35 | 29 w | .. | 54 w | 61 |

a. See the technical notes. b. Because manufacturing is generally the most dynamic part of the industrial sector, its share of GDP is shown separately. c. GDP and its components are shown at purchaser values. d. World Bank estimate. e. Services, etc. includes the unallocated share of GDP.

Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 4. Growth of consumption and investment

| | Average annual growth rate (percent) | | | | | |
|---|---|---|---|---|---|---|
| | General government consumption | | Private consumption, etc. | | Gross domestic investment | |
| | 1965-80 | 1980-86 | 1965-80 | 1980-86 | 1965-80 | 1980-86 |
| Southern African Countries | | | | | | |
| Malawi | 5.7 | 3.7 | 4.3 | -0.1 | 9.0 | -7.9 |
| Mozambique | .. | -11.0 | .. | -5.3 | .. | -22.8 |
| Tanzania | a | -7.0 | 4.6 | 1.0 | 6.2 | 1.8 |
| Zambia | 5.1 | -3.3 | 0.1 | 0.5 | -3.6 | -7.1 |
| Zimbabwe | a | 8.4 | 6.3 * | -2.2 | 0.9 | -4.7 |
| Botswana | 12.0 | 12.8 * | 9.2 | 4.2 * | 21.0 | -6.9 * |
| Lesotho | 12.3 | .. | 8.6 | .. | 17.3 | .. |
| Swaziland | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | |
| South Africa | 4.9 | 3.7 | 3.3 | 1.5 | 4.0 | -8.2 |
| Country Groups | | | | | | |
| Low-income economies | 5.7 w | 5.4 w | 3.8 w | 5.4 w | 7.4 w | 13.2 w |
| China and India | 6.1 w | 6.1 w | 4.0 w | 6.2 w | 8.3 w | 14.9 w |
| Other low-income | 4.1 w | 1.7 w | 2.9 w | 2.7 w | 3.7 w | 0.4 w |
| Middle-income economies | 7.9 w | 1.8 w | 6.5 w | 2.0 w | 8.9 w | -2.3 w |
| Lower middle-income | 8.7 w | 2.2 w | 6.0 w | 2.4 w | 9.2 w | -3.4 w |
| Upper middle-income | 7.6 w | 1.6 w | 6.9 w | 1.9 w | 8.7 w | -1.9 w |
| Developing economies | 7.3 w | 2.7 w | 5.7 w | 2.9 w | 8.5 w | 2.4 w |
| Oil exporters | 11.1 w | 1.4 w | 7.4 w | 1.5 w | 11.3 w | -3.1 w |
| Exporters of manufactures | 6.3 w | 3.9 w | 5.9 w | 4.2 w | 8.8 w | 8.0 w |
| Highly indebted countries | 7.0 w | 0.6 w | 6.6 w | 0.7 w | 8.4 w | -6.3 w |
| Sub-Saharan Africa | 8.1 w | -1.0 w | 4.9 w | 0.7 w | 8.8 w | -9.3 w |
| High-income oil exporters | .. | .. | .. | .. | 16.7 w | .. |
| Industrial market economies | 2.8 w | 2.9 w | 4.0 w | 2.6 w | 3.0 w | 2.8 w |

a. General government consumption figures are not available separately; they are included in private consumption, etc.. * Figures for years other than those specified.
Extracted from: The World Bank's World Development Report 1986

Development Indicators for Southern Africa
Table 5. Structure of demand

| | Distribution of gross domestic product (percent) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | General government consumption | | Private consumption, etc. | | Gross domestic investment | | Gross domestic savings | | Exports of goods and nonfactor services | | Resource balance | |
| | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 |
| Southern African Countries | | | | | | | | | | | | |
| Malawi | 16 | 18 | 84 | 75 | 14 | 10 | 0 | 7 | 19 | 22 | -14 | -3 |
| Mozambique | .. | 15 | .. | 86 | .. | 9 | .. | -1 | .. | 3 | .. | -10 |
| Tanzania | 10 | 8 | 74 | 89 | 15 | 17 | 16 | 2 | 26 | 10 | 1 | -15 |
| Zambia | 15 | 25 | 45 | 62 | 25 | 15 | 40 | 13 | 49 | 46 | 15 | -2 |
| Zimbabwe | 12 | 19 | 65 | 62 | 15 | 18 | 23 | 20 | .. | 26 | 8 | 2 |
| Botswana | 24 | 28 * | 89 | 47 * | 6 | 25 * | -13 | 26 * | 32 | 63 * | -19 | -1 * |
| Lesotho | 18 | 35 | 109 | 143 | 11 | 33 | -26 | -78 | 16 | 12 | -38 | -112 |
| Swaziland | | | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | | | |
| South Africa | 11 | 19 | 62 | 51 | 28 | 19 | 27 | 30 | 26 | 33 | 0 | 10 |
| Country Groups | | | | | | | | | | | | |
| Low-income economies | 12 w | 13 w | 73 w | 62 w | 20 w | 29 w | 17 w | 25 w | 7 w | 10 w | -7 w | -4 w |
| China and India | 12 w | 13 w | 69 w | 57 w | 22 w | 32 w | 21 w | 30 w | 4 w | 9 w | -1 w | -2 w |
| Other low-income | 10 w | 12 w | 78 w | 79 w | 15 w | 15 w | 12 w | 7 w | 19 w | 14 w | -3 w | -8 w |
| Middle-income economies | 11 w | 15 w | 68 w | 62 w | 23 w | 22 w | 21 w | 24 w | 17 w | 22 w | 0 w | 1 w |
| Lower middle-income | 11 w | 13 w | 73 w | 69 w | 17 w | 19 w | 16 w | 17 w | 15 w | 21 w | -1 w | -2 w |
| Upper middle-income | 11 w | 15 w | 65 w | 61 w | 27 w | 24 w | 27 w | 26 w | 18 w | 22 w | 1 w | 2 w |
| Developing economies | 11 w | 13 w | 68 w | 63 w | 21 w | 24 w | 20 w | 24 w | 12 w | 19 w | -1 w | -1 w |
| Oil exporters | 10 w | 14 w | 69 w | 63 w | 19 w | 22 w | 21 w | 22 w | 18 w | 16 w | 2 w | 0 w |
| Exporters of manufactures | 13 w | 12 w | 65 w | 60 w | 23 w | 29 w | 22 w | 29 w | 8 w | 18 w | -1 w | -1 w |
| Highly indebted countries | 10 w | 11 w | 67 w | 67 w | 21 w | 19 w | 22 w | 22 w | 14 w | 16 w | 1 w | 2 w |
| Sub-Saharan Africa | 11 w | 13 w | 73 w | 74 w | 15 w | 14 w | 15 w | 11 w | 23 w | 19 w | 1 w | -2 w |
| High-income oil exporters | 15 w | .. | 30 w | .. | 20 w | .. | 54 w | .. | 63 w | .. | 35 w | .. |
| Industrial market economies | 15 w | 17 w | 61 w | 62 w | 23 w | 21 w | 23 w | 21 w | 12 w | 17 w | 0 w | 0 w |

a. General government consumption figures are not available separately; they are included in private consumption, etc..
* Figures for years other than those specified.
Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 6. Structure of consumption

| | Percentage share of total household consumption (range of years, 1980-85) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Food | | | Gross rents, fuel and power | | | | Transport and communication | | Other consumption | |
| | Total | Cereals and tubers | Clothing and footwear | Total | Fuel and power | Medical care | Education | Total | Motor cars | Total | Other consumer durables |
| Southern African Countries | | | | | | | | | | | |
| Malawi | 55 | 28 | 5 | 12 | 2 | 3 | 4 | 7 | 2 | 15 | 3 |
| Mozambique | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tanzania | 62 | 30 | 12 | 8 | 3 | 1 | 5 | 2 | 0 | 10 | 3 |
| Zambia | 50 | 13 | 7 | 10 | 2 | 5 | 6 | 2 | 0 | 21 | 2 |
| Zimbabwe | 43 | 9 | 11 | 13 | 5 | 0 | 8 | 6 | 1 | 19 | .. |
| Botswana | 35 | 13 | 8 | 15 | 5 | 4 | 9 | 8 | 2 | 22 | 7 |
| Lesotho | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Swaziland | | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | | |
| South Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |

Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 7. Agriculture and food

| | Value added in agriculture (millions of current dollars) | | Cereal imports (thousands of metric tons) | | Food aid in cereals (thousands of metric tons) | | Fertilizer consumption (hundreds of grams of plant nutrient per hectare of arable land) | | Average index of food production per capita (1979-81=100) |
|---|---|---|---|---|---|---|---|---|---|
| | 1970 | 1986 | 1974 | 1986 | 1974/75 | 1985/86 | 1970 a | 1985 | 1984-86 |
| Southern African Countries | | | | | | | | | |
| Malawi | 119 | 404 | 17 | 6 | 0 | 5 | 52 | 143 | 90 |
| Mozambique | .. | 1,505 | 62 | 393 | 34 | 252 | 27 | 12 | 85 |
| Tanzania | 473 | 2,367 | 431 | 244 | 148 | 66 | 30 | 76 | 92 |
| Zambia b | 191 | 179 | 93 | 148 | 5 | 82 | 71 | 155 | 96 |
| Zimbabwe | 214 | 562 | 56 | 54 | 0 | .. | 466 | 622 | 92 |
| Botswana b | 28 | 45 | 21 | 141 | 5 | 49 | 14 | 4 | 76 |
| Lesotho | 23 | 49 | 49 | 144 | 14 | 40 | 17 | 117 | 82 |
| Swaziland | | | | | | | | | |
| Angola | .. | .. | 149 | 276 | 0 | 53 | 45 | 58 | 90 |
| South Africa | | | | | | | | | |
| South Africa | 1,362 | 3,207 | 127 | 734 | | | 425 | 657 | 83 |
| Country Groups | | | | | | | | | |
| Low-income economies | 74,755 t | 202,825 t | 21,897 t | 18,038 t | 5,718 t | 6,384 t | 108 w | 674 w | 114 w |
| China and India | 55,045 t | 147,927 t | 12,724 t | 7,457 t | 1,582 t | 548 t | 217 w | 939 w | 118 w |
| Other low-income | 19,710 t | 54,800 t | 9,173 t | 10,581 t | 4,136 t | 5,836 t | 80 w | 234 w | 101 w |
| Middle-income economies | 57,710 t | 255,490 t | 44,011 t | 72,109 t | 2,263 t | 4,149 t | 292 w | 603 w | 105 w |
| Lower middle-income | 28,320 t | 112,130 t | 15,701 t | 27,525 t | 1,880 t | 4,115 t | 150 w | 422 w | 105 w |
| Upper middle-income | 29,390 t | 143,360 t | 28,310 t | 44,584 t | | | 402 w | 739 w | 103 w |
| Developing economies | 132,470 t | 458,310 t | 65,908 t | 90,147 t | 7,981 t | 10,526 t | 232 w | 644 w | 110 w |
| Oil exporters | 21,070 t | 112,550 t | 15,972 t | 30,913 t | 1,038 t | 1,911 t | 131 w | 555 w | 105 w |
| Exporters of manufactures | 72,270 t | 216,070 t | 29,229 t | 36,852 t | 1,900 t | 567 t | 341 w | 950 w | 116 w |
| Highly indebted countries | 27,500 t | 103,870 t | 13,655 t | 20,208 t | 637 t | 1,154 t | 165 w | 374 w | 101 w |
| Sub-Saharan Africa | 15,500 t | 60,530 t | 3,934 t | 8,730 t | 910 t | 3,655 t | 32 w | 91 w | 97 w |
| High-income oil exporters | 340 t | .. | 1,327 t | 7,347 t | | | 58 w | 1,218 w | .. |
| Industrial market economies | 87,730 t | 304,700 t | 65,494 t | 60,855 t | | | 986 w | 1,164 w | 103 w |

a. Average for 1969-71. b. Value added in agriculture data are at purchaser values. c. Value added in agriculture data refer to net domestic product at factor cost. d. Includes Luxembourg.
Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 8. Structure of manufacturing

| | Value added in manufacturing (millions of current dollars) | | Distribution of manufacturing value added (percent; current prices) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Food and agriculture | | Textiles and clothing | | Machinery and transport equipment | | Chemicals | | Other a | |
| | 1970 | 1985 | 1970 | 1985 | 1970 | 1985 | 1970 | 1985 | 1970 | 1985 | 1970 | 1985 |
| Southern African Countries | | | | | | | | | | | | |
| Malawi | .. | 126 | 51 | 49 * | 17 | 13 * | 3 | 2 * | 10 | 11 * | 20 | 25 * |
| Mozambique | .. | .. | 51 | .. | 13 | .. | 5 | .. | 3 | .. | 28 | .. |
| Tanzania | 116 | 393 | 36 | 28 | 28 | 26 | 5 | 8 | 4 | 7 | 26 | 31 |
| Zambia b | 181 | 513 | 49 | 44 | 9 | 13 | 5 | 9 | 10 | 9 | 27 | 25 |
| Zimbabwe | 293 | 1,314 | 24 | 28 | 16 | 16 | 9 | 10 | 11 | 9 | 40 | 36 |
| Botswana b | 5 | 49 | .. | 52 * | .. | 12 * | .. | 0 * | .. | 4 * | .. | 32 * |
| Lesotho | 3 | 26 | 11 * | 12 | 26 * | 20 | 0 * | 0 | 0 * | 0 | 63 * | 68 |
| Swaziland | | | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | | | |
| South Africa | 3,914 | 11,096 | 15 | 16 | 13 | 7 | 17 | 16 | 10 | 12 | 45 | 49 |
| Country Groups | | | | | | | | | | | | |
| Low-income economies | 40,890 | t 145,750 t | | | | | | | | | | |
| China and India | 35,750 | t 130,700 t | | | | | | | | | | |
| Other low-income | 5,140 | t 15,050 t | | | | | | | | | | |
| Middle-income economies | 64,310 | t 358,300 t | | | | | | | | | | |
| Lower middle-income | 15,390 | t 85,260 t | | | | | | | | | | |
| Upper middle-income | 48,920 | t 273,040 t | | | | | | | | | | |
| Developing economies | 105,200 | t 504,050 t | | | | | | | | | | |
| Oil exporters | 10,010 | t 114,150 t | | | | | | | | | | |
| Exporters of manufactures | 63,780 | t 289,200 t | | | | | | | | | | |
| Highly indebted countries | 38,730 | t 186,920 t | | | | | | | | | | |
| Sub-Saharan Africa | 3,310 | t 19,130 t | | | | | | | | | | |
| High-income oil exporters | 600 | t .. | | | | | | | | | | |
| Industrial market economies | 598,270 | t2,012,650 t | | | | | | | | | | |

Includes unallocable data; see the technical notes. b. Value added in manufacturing data are at purchaser values. c. World ink estimate. *Figures for years other than those specified.
tracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 9. Manufacturing earnings and output

| | Earnings per employee | | | | | Total earnings as percentage of value added | | | | Gross output per employee (1980=100) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Growth rates | | Index (1980=100) | | | | | | | | | | |
| | 1970-80 | 1980-85 | 1983 | 1984 | 1985 | 1970 | 1983 | 1984 | 1985 | 1970 | 1983 | 1984 | 1985 |
| **Southern African Countries** | | | | | | | | | | | | | |
| Malawi | .. | .. | 105 | .. | .. | 36 | 38 | .. | .. | 121 | 92 | .. | .. |
| Mozambique | .. | .. | .. | .. | .. | 29 | .. | .. | .. | .. | .. | .. | .. |
| Tanzania | .. | -14.5 | 61 | 53 | 45 | 42 | 35 | 34 | 34 | 122 | 77 | 78 | 74 |
| Zambia | -3.2 | -2.1 | 96 | 96 | 95 | 33 | 26 | 26 | 26 | 110 | 98 | 97 | 103 |
| Zimbabwe | 1.6 | 5.4 | 106 | 114 | 142 | 43 | 40 | 44 | 44 | 98 | 98 | 104 | 113 |
| Botswana | 10.4 * | -4.2 | 80 | 81 | 85 | .. | 39 * | 40 | .. | .. | 70 | 69 | .. |
| Lesotho | .. | .. | 112 | .. | .. | .. | 48 | 48 | 48 | .. | 110 | 137 | 151 |
| Swaziland | | | | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| **South Africa** | | | | | | | | | | | | | |
| South Africa | 2.7 * | 1.3 | 108 | 109 | 106 | 46 | 52 | 50 | 50 | 50 | 93 | 96 | 95 |

* Figures for years other than those specified.
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Development Indicators for Southern Africa
Table 10. Commercial energy

| | Average annual energy growth rate (percent) | | | | Energy consumption per capita (kilograms of oil equivalent) | | Energy imports as a percentage of merchandise exports | |
|---|---|---|---|---|---|---|---|---|
| | Energy production | | Energy consumption | | | | | |
| | 1965-80 | 1980-86 | 1965-80 | 1980-86 | 1965 | 1986 | 1965 | 1986 |
| **Southern African Countries** | | | | | | | | |
| Malawi | 18.2 | 5.0 | 8.0 | -0.7 | 25 | 43 | 7 | 8 |
| Mozambique | 19.8 | -50.1 | 2.2 | 1.8 | 81 | 86 | 13 | .. |
| Tanzania | 7.3 | 2.5 | 3.7 | 2.0 | 37 | 35 | 10 | 39 |
| Zambia | 25.7 | 1.0 | 4.0 | -0.4 | 464 | 381 | 6 | 12 |
| Zimbabwe | -0.7 | -0.9 | 5.2 | 0.4 | 441 | 517 | 7 | 7 |
| Botswana | 8.8 | 2.7 | 9.5 | 2.2 | 191 | 430 | .. | .. |
| Lesotho | .. | .. | .. | .. | .. | .. | .. | .. |
| Swaziland | | | | | | | | |
| Angola | 19.9 | 12.1 | 5.3 | 2.7 | 114 | 202 | 2 | .. |
| **South Africa** | | | | | | | | |
| South Africa | 5.1 | 6.5 | 4.3 | 3.9 | 1,744 | 2,470 | 5 | 0 |
| **Country Groups** | | | | | | | | |
| Low-income economies | 9.1 w | 6.4 w | 8.2 w | 5.6 w | 131 w | 314 w | 5 w | 9 w |
| China and India | 9.1 w | 6.6 w | 8.8 w | 5.8 w | 146 w | 394 w | 4 w | 6 w |
| Other low-income | 9.0 w | 2.9 w | 2.9 w | 3.8 w | 71 w | 86 w | 7 w | 17 w |
| Middle-income economies | 4.9 w | 3.0 w | 6.6 w | 2.8 w | 487 w | 883 w | 8 w | 12 w |
| Lower middle-income | 10.6 w | 2.8 w | 7.0 w | 4.1 w | 179 w | 346 w | 8 w | 12 w |
| Upper middle-income | 3.8 w | 3.0 w | 6.5 w | 2.4 w | 823 w | 1,527 w | 9 w | 12 w |
| Developing economies | 5.9 w | 4.0 w | 7.2 w | 3.9 w | 252 w | 506 w | 8 w | 11 w |
| Oil exporters | 5.0 w | 1.5 w | 7.6 w | 2.9 w | 298 w | 608 w | 5 w | 5 w |
| Exporters of manufactures | 7.1 w | 5.7 w | 7.8 w | 4.3 w | 246 w | 569 w | 8 w | 12 w |
| Highly indebted countries | 3.6 w | 1.9 w | 6.9 w | 2.1 w | 420 w | 764 w | 6 w | 10 w |
| Sub-Saharan Africa | 15.3 w | -1.0 w | 6.4 w | 2.3 w | 62 w | 103 w | 7 w | 8 w |
| High-income oil exporters | 6.4 w | -10.7 w | 7.7 w | 5.2 w | 1,345 w | 3,313 w | .. | .. |
| Industrial market economies | 2.1 w | 1.9 w | 3.0 w | 0.4 w | 3,745 w | 4,952 w | 11 w | 13 w |
| Nonreporting nonmembers | 4.6 w | 2.9 w | 4.4 w | 2.9 w | 2,509 w | 4,552 w | .. | .. |

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Development Indicators for Southern Africa
Table 11. Growth of merchandise trade

| | Merchandise trade (millions of dollars) | | Average annual growth rate a (percent) | | | | Terms of trade (1980=100) | |
|---|---|---|---|---|---|---|---|---|
| | | | Exports | | Imports | | | |
| | Exports 1986 | Imports 1986 | 1965-80 | 1980-86 | 1965-80 | 1980-86 | 1984 | 1986 |
| **Southern African Countries** | | | | | | | | |
| Malawi | 243 | 266 | 4.3 | 1.1 | 3.3 | -6.5 | 97 | 88 |
| Mozambique | 159 | 469 | .. | .. | .. | .. | .. | .. |
| Tanzania | 343 | 1,050 | -4.0 | -9.8 | 1.6 | -1.3 | 96 | 104 |
| Zambia | 689 | 714 | 1.7 | -2.1 | -5.5 | -7.3 | 70 | 64 |
| Zimbabwe | 1,301 | 1,102 | 3.5 | -2.7 | -1.8 | -6.7 | 96 | 86 |
| Botswana c | .. | .. | .. | .. | .. | .. | .. | .. |
| Lesotho c | .. | .. | .. | .. | .. | .. | .. | .. |
| Swaziland | | | | | | | | |
| Angola | 1,787 | 1,050 | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | |
| South Africa c | 18,454 | 12,989 | 6.1 | -0.4 | 0.1 | -9.5 | 82 | 72 |
| **Country Groups** | | | | | | | | |
| Low-income economies | 61,228 t | 88,754 t | 2.7 w | 6.5 w | 2.7 w | 7.2 w | 97 w | 91 w |
| China and India | 43,161 t | 58,845 t | 4.8 w | 9.5 w | 4.6 w | 11.9 w | 103 w | 105 w |
| Other low-income | 17,922 t | 29,689 t | 0.5 w | 0.6 w | 1.1 w | -0.1 w | 97 w | 91 w |
| Middle-income economies | 364,355 t | 368,656 t | 3.2 w | 4.6 w | 6.1 w | -0.9 w | 96 w | 94 w |
| Lower middle-income | 84,172 t | 98,942 t | 6.7 w | 2.4 w | 6.1 w | -2.4 w | 96 w | 92 w |
| Upper middle-income | 280,815 t | 269,715 t | 1.7 w | 5.6 w | 6.9 w | -0.1 w | 94 w | 96 w |
| Developing economies | 425,984 t | 457,155 t | 3.1 w | 4.8 w | 5.5 w | 0.5 w | 96 w | 93 w |
| Oil exporters | 84,587 t | 90,443 t | 0.0 w | 1.8 w | 8.3 w | -5.4 w | 96 w | 57 w |
| Exporters of manufactures | 217,171 t | 230,994 t | 7.7 w | 6.4 w | 7.1 w | 5.4 w | 101 w | 100 w |
| Highly indebted countries | 98,995 t | 86,382 t | 6.4 w | 1.6 w | 6.3 w | -3.2 w | 95 w | 92 w |
| Sub-Saharan Africa | 28,285 t | 39,229 t | 6.6 w | -5.1 w | 4.9 w | -7.5 w | 97 w | 87 w |
| High-income oil exporters | 43,374 t | 35,844 t | 5.6 w | -12.5 w | 19.5 w | -7.7 w | 97 w | 46 w |
| Industrial market economies | 1,443,629 t | 1,510,671 t | 7.1 w | 3.3 w | 6.7 w | 4.8 w | 101 w | 109 w |
| Nonreporting nonmembers | 160,256 t | 152,070 t | .. | .. | .. | .. | .. | .. |

a. See the technical notes. b. World Bank estimate. c. Figures are for the South African Customs Union comprising South Africa, Namibia, Lesotho, Botswana, and Swaziland; trade between the component territories is excluded.

Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 12. Structure of merchandise exports

| | Percentage share of merchandise exports | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Fuels, minerals, and metals | | Other primary commodities | | Machinery and transport equipment | | Other manufactures | | (Textiles and clothing) a | |
| | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 |
| **Southern African Countries** | | | | | | | | | | |
| Malawi | 0 | 0 | 99 | 84 | 0 | 5 | 1 | 11 | 0 | .. |
| Mozambique | 14 | .. | 84 | .. | 0 | .. | 2 | .. | 1 | .. |
| Tanzania | 4 | 4 | 83 | 79 | 0 | 3 | 13 | 14 | 0 | .. |
| Zambia | 97 | 96 | 3 | 1 | 0 | 1 | 0 | 2 | 0 | .. |
| Zimbabwe | 24 | 23 | 47 | 41 | 6 | 3 | 23 | 34 | 6 | .. |
| Botswana b | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Lesotho b | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Swaziland | | | | | | | | | | |
| Angola | 6 | .. | 76 | .. | 1 | .. | 17 | .. | 0 | .. |
| South Africa | | | | | | | | | | |
| South Africa b | 24 | 40 | 44 | 21 | 3 | 3 | 29 | 36 | 1 | .. |
| Country Groups | | | | | | | | | | |
| Low-income economies | 17 w | 15 w | 57 w | 29 w | 1 w | 11 w | 26 w | 44 w | .. | .. |
| China and India | 8 w | 12 w | 45 w | 22 w | 2 w | 14 w | 45 w | 52 w | .. | .. |
| Other low-income | 25 w | 21 w | 69 w | 47 w | 0 w | 2 w | 12 w | 27 w | 5 w | 17 w |
| Middle-income economies | 31 w | 28 w | 48 w | 20 w | 3 w | 14 w | 15 w | 35 w | 5 w | 11 w |
| Lower middle-income | 29 w | 38 w | 65 w | 34 w | 1 w | 3 w | 7 w | 24 w | 2 w | .. |
| Upper middle-income | 39 w | 25 w | 39 w | 16 w | 3 w | 19 w | 19 w | 38 w | 6 w | 12 w |
| Developing economies | 27 w | 26 w | 51 w | 22 w | 2 w | 14 w | 18 w | 37 w | 6 w | 11 w |
| Oil exporters | 58 w | 72 w | 35 w | 12 w | 1 w | 4 w | 6 w | 9 w | .. | .. |
| Exporters of manufactures | 9 w | 8 w | 45 w | 14 w | 6 w | 25 w | 41 w | 54 w | 15 w | 17 w |
| Highly indebted countries | 38 w | 36 w | 51 w | 32 w | 3 w | 11 w | 8 w | 21 w | 1 w | .. |
| Sub-Saharan Africa | 33 w | 48 w | 59 w | 40 w | 1 w | 1 w | 7 w | 10 w | 0 w | .. |
| High-income oil exporters | 98 w | 88 w | 1 w | 1 w | 1 w | 3 w | 1 w | 8 w | .. | .. |
| Industrial market economies | 9 w | 8 w | 22 w | 12 w | 32 w | 42 w | 37 w | 37 w | 6 w | 4 w |

. Textiles and clothing is a subgroup of other manufactures. b. Figures are for the South African Customs Union comprising outh Africa, Namibia, Lesotho, Botswana, and Swaziland; trade between the component territories is excluded.
xtracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 13. Structure of merchandise imports

| | Percentage share of merchandise imports | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Food | | Fuels | | Other primary commodities | | Machinery and transport equipment | | Other manufactures | |
| | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 15 | 7 | 5 | 7 | 3 | 3 | 21 | 34 | 57 | 50 |
| Mozambique | 17 | .. | 8 | .. | 7 | .. | 24 | .. | 45 | .. |
| Tanzania | .. | 4 | .. | 16 | .. | 2 | .. | 30 | .. | 48 |
| Zambia | 9 | 4 | 10 | 12 | 3 | 1 | 33 | 40 | 45 | 42 |
| Zimbabwe | 13 | 12 | 8 | 6 | 3 | 2 | 31 | 36 | 46 | 43 |
| Botswana a | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Lesotho a | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Swaziland | | | | | | | | | | |
| Angola | 18 | .. | 2 | .. | 2 | .. | 24 | .. | 54 | .. |
| South Africa | | | | | | | | | | |
| South Africa a | 5 | 3 | 5 | 0 | 11 | 4 | 42 | 43 | 37 | 50 |
| Country Groups | | | | | | | | | | |
| Low-income economies | .. | 10 w | .. | 6 w | .. | 6 w | .. | 30 w | .. | 48 w |
| China and India | .. | 8 w | .. | 5 w | .. | 6 w | .. | 29 w | .. | 53 w |
| Other low-income | 19 w | 14 w | 6 w | 10 w | 5 w | 4 w | 29 w | 32 w | 44 w | 36 w |
| Middle-income economies | 15 w | 10 w | 8 w | 11 w | 10 w | 7 w | 28 w | 33 w | 36 w | 43 w |
| Lower middle-income | 16 w | 11 w | 7 w | 11 w | 6 w | 5 w | 30 w | 33 w | 40 w | 40 w |
| Upper middle-income | 15 w | 10 w | 8 w | 14 w | 12 w | 8 w | 29 w | 32 w | 36 w | 36 w |
| Developing economies | 17 w | 10 w | 7 w | 10 w | 10 w | 7 w | 29 w | 32 w | 36 w | 41 w |
| Oil exporters | 14 w | 13 w | 6 w | 5 w | 5 w | 5 w | 34 w | 41 w | 40 w | 39 w |
| Exporters of manufactures | 22 w | 9 w | 7 w | 11 w | 17 w | 9 w | 23 w | 30 w | 31 w | 42 w |
| Highly indebted countries | 14 w | 11 w | 7 w | 11 w | 10 w | 7 w | 34 w | 35 w | 35 w | 35 w |
| Sub-Saharan Africa | 15 w | 12 w | 6 w | 7 w | 4 w | 3 w | 30 w | 34 w | 45 w | 42 w |
| High-income oil exporters | 20 w | 15 w | 2 w | 2 w | 5 w | 2 w | 32 w | 35 w | 40 w | 45 w |
| Industrial market economies | 19 w | 10 w | 11 w | 12 w | 19 w | 7 w | 19 w | 33 w | 31 w | 37 w |

a. Figures are for the South African Customs Union comprising South Africa, Namibia, Lesotho, Botswana, and Swaziland; trade between the component territories is excluded.

Extracted from: The World Bank s World Development Report 1988

Development Indicators for Southern Africa

Table 14. Origin and destination of manufactured exports

| Origin | Manufactured exports (millions of dollars) | | Destination of manufactured exports (percentage of total) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Industrial market economies | | Nonreporting nonmember economies | | High income oil exporters | | Developing economies a | |
| | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 | 1965 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 0 | 39 | 3 | 39 * | 0 | 0 * | 0 | 0 * | 97 | 61 * |
| Mozambique | 3 | .. | 27 | 2 * | 5 | 0 * | 0 | 9 * | 68 | 89 * |
| Tanzania | 23 | 58 | 93 | 86 * | 0 | 2 * | 0 | 1 * | 7 | 12 * |
| Zambia | 1 | 21 | 14 | 67 * | 0 | 0 * | 0 | 1 * | 86 | 32 * |
| Zimbabwe | 116 | 365 | 12 | 78 * | 2 | 0 * | 0 | 0 * | 86 | 22 * |
| Botswana b | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Lesotho b | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Swaziland | | | | | | | | | | |
| Angola | 36 | .. | 3 | .. | 0 | .. | 0 | .. | 97 | .. |
| South Africa | | | | | | | | | | |
| South Africa b | 443 | 7,122 | 94 | .. | 0 | .. | 0 | .. | 6 | .. |
| Country Groups | | | | | | | | | | |
| Low-income economies | 2,420 t | 32,785 t | 56 w | 45 w | 9 w | 3 w | 2 w | 4 w | | |
| China and India | 1,850 t | 27,576 t | 55 w | 39 w | 11 w | 5 w | 2 w | 3 w | | |
| Other low-income | 537 t | 4,939 t | 58 w | 66 w | 4 w | 4 w | 2 w | 8 w | | |
| Middle-income economies | 5,475 t | 180,631 t | 45 w | 60 w | 22 w | 7 w | 1 w | 3 w | 35 w | 31 w |
| Lower middle-income | 714 t | 23,336 t | 38 w | 55 w | 10 w | 2 w | 6 w | 6 w | 36 w | 32 w |
| Upper middle-income | 4,878 t | 161,213 t | 46 w | 60 w | 23 w | 8 w | 1 w | 3 w | 31 w | 30 w |
| Developing economies | 7,984 t | 214,337 t | 47 w | 56 w | 19 w | 7 w | 2 w | 3 w | 32 w | 32 w |
| Oil exporters | 610 t | 11,240 t | 52 w | .. | 11 w | .. | 3 w | .. | 34 w | .. |
| Exporters of manufactures | 6,083 t | 177,532 t | 42 w | 54 w | 24 w | 8 w | 1 w | 2 w | 34 w | 33 w |
| Highly indebted countries | 1,318 t | 32,115 t | 43 w | .. | 20 w | .. | 0 w | .. | 38 w | .. |
| Sub-Saharan Africa | 366 t | 3,160 t | 55 w | 34 w | 1 w | 3 w | 0 w | 0 w | 44 w | 57 w |
| High-income oil exporters | 115 t | 4,498 t | 30 w | .. | .. | .. | 21 w | .. | 49 w | .. |
| Industrial market economies | 86,373 t | 1,151,136 t | 67 w | 74 w | 2 w | 2 w | 1 w | 2 w | 30 w | 22 w |

a. Includes unallocable data. b. Figures are for the South African Customs Union comprising South Africa, Namibia, Lesotho, Botswana, and Swaziland; trade between the component territories is excluded. c. Includes Luxembourg.

* Figures are for 1983, 1984 or 1985.

Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 15. Balance of payments and reserves

| | Current account balance (millions of dollars) | | External financing requirement (millions of dollars) | | Receipts of workers' remittances (millions of dollars) | | Net direct private investment (millions of dollars) | | Gross international reserves | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | millions of dollars | | In months of import coverage |
| | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1986 |
| Southern African Countries | | | | | | | | | | | |
| Malawi | (35) | (57) a | (46) | (84) a | .. | .. | 9 | .. | 29 | 30 | 1 |
| Mozambique | .. | (363) | .. | (576) | .. | 50 | .. | .. | .. | .. | .. |
| Tanzania | (36) | (514) | (37) | (533) | .. | 5 | .. | .. | 65 | 61 | 0.7 |
| Zambia | 108 | (302) | 107 | (323) | .. | .. | (297) | .. | 515 | 71 | 0.8 |
| Zimbabwe | (14) a | (42) a | (13) a | (91) a | .. | .. | .. | .. | 59 | 316 | 2.4 |
| Botswana | (31) | 169 | (37) | 68 | .. | .. | 6 | 90 | .. | 1,198 | 15 |
| Lesotho | 19 a | (9) | 0 a | (64) | 29 a | .. | .. | 4 | .. | 60 | 1.6 |
| Swaziland | | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | | |
| South Africa | (1,215) | 3,125 | (1,253) | 3,114 | .. | .. | 318 | (16) | 1,057 | 2,254 | 1.5 |
| Country Groups | | | | | | | | | | | |
| Low-income economies | | | | | | | | | 3,223 | t 33,624 t | 4.2 w |
| China and India | | | | | | | | | 1,023 | t 26,898 t | 5.5 w |
| Other low-income | | | | | | | | | 2,200 | t 6,727 t | 2.2 w |
| Middle-income economies | | | | | | | | | 15,738 | t126,940 t | 3.7 w |
| Lower middle-income | | | | | | | | | 4,927 | t 39,263 t | 3.9 w |
| Upper middle-income | | | | | | | | | 10,811 | t 87,677 t | 3.4 w |
| Developing economies | | | | | | | | | 18,961 | t160,565 t | 3.5 w |
| Oil exporters | | | | | | | | | 3,685 | t 32,780 t | 3.5 w |
| Exporters of manufactures | | | | | | | | | 5,994 | t 73,329 t | 3.6 w |
| Highly indebted countries | | | | | | | | | 5,958 | t 47,588 t | 3.9 w |
| Sub-Saharan Africa | | | | | | | | | 2,020 | t 6,787 t | 2.1 w |
| High-income oil exporters | | | | | | | | | 2,475 | t 37,664 t | 7.2 w |
| Industrial market economies | | | | | | | | | 72,868 | t610,996 t | 3.5 w |

a. World Bank estimates.
Extracted from: The World Bank's World Development Report 1988

Table 16. Total external debt

| | Long-term debt (millions of dollars) | | | | Use of IMF credit (millions of dollars) | | Short-term debt (millions of dollars) | | Total external debt (millions of dollars) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Public and publicly guaranteed | | Private nonguaranteed | | | | | | | |
| | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 122 | 910 | 0 | 0 | 0 | 124 | .. | 80 | .. | 1,114 |
| Mozambique | .. | .. | .. | .. | 0 | 0 | .. | .. | .. | .. |
| Tanzania | 250 | 3,650 | 15 | 0 | 0 | 45 | .. | 260 | .. | 3,955 |
| Zambia | 623 | 3,575 | 30 | 0 | 0 | 825 | .. | 900 | .. | 5,300 |
| Zimbabwe | 233 | 1,712 | .. | 46 | 0 | 234 | .. | 489 | .. | 2,481 |
| Botswana | 17 | 355 | 0 | 0 | 0 | 0 | .. | 3 | .. | 358 |
| Lesotho | 8 | 182 | 0 | 0 | 0 | 0 | .. | 4 | .. | 186 |
| Swaziland | | | | | | | | | | |
| Angola | | | | | | | | | | |
| South Africa | | | | | | | | | | |
| South Africa | .. | .. | .. | .. | 0 | 0 | .. | .. | .. | .. |

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Development Indicators for Southern Africa
Table 17. Flow of public and private external capital

| | Disbursements (millions of dollars) | | | | Repayment of principal (millions of dollars) | | | | Net flow a (millions of dollars) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Public and publicly guaranteed | | Private nonguaranteed | | Public and publicly guaranteed | | Private nonguaranteed | | Public and publicly guaranteed | | Private nonguaranteed | |
| | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 |
| Southern African Countries | | | | | | | | | | | | |
| Malawi | 40 | 119 | 0 | 0 | 3 | 72 | 0 | 0 | 37 | 47 | 0 | 0 |
| Mozambique | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tanzania | 51 | 185 | .. | .. | 10 | 43 | .. | .. | 40 | 142 | .. | .. |
| Zambia | 351 | 233 | .. | .. | 35 | 69 | .. | .. | 316 | 164 | .. | .. |
| Zimbabwe | .. | 267 | .. | .. | 5 | 222 | .. | .. | (5) | 66 | .. | .. |
| Botswana | 6 | 31 | 0 | 0 | 0 | 17 | 0 | 0 | 6 | 14 | 0 | 0 |
| Lesotho | 0 | 22 | 0 | 0 | 0 | 10 | 0 | 0 | 0 | 12 | 0 | 0 |
| Swaziland | | | | | | | | | | | | |
| Angola | | | | | | | | | | | | |
| South Africa | | | | | | | | | | | | |
| South Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |

a. Disbursements less repayments of principal may not equal net flow, because of rounding.
Extracted from: The World Bank's World Development Report 1988

Developsent Indicators for Southern Africa

Table 18. Total external public and private debt and debt service ratios

| | Total long-tera debt disbursed and outstanding | | | | Total interest payaents on long-tera debt (aillions of dollars) | | Total long-tera debt service as percentage of: | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Millions of dollars | | As percentage of GNP | | | | GNP | | Exports of goods and services | |
| | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 122 | 910 | 43.2 | 78.6 | 4 | 36 | 2.3 | 9.4 | 7.8 | 40.1 |
| Mozaabique | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tanzania | 265 | 3,650 | 20.7 | 81.6 | .. | .. | .. | .. | .. | .. |
| Zaabia | 653 | 3,575 | 37.5 | 240.5 | .. | .. | .. | .. | .. | .. |
| Zimbabwe | .. | 1,758 | .. | 33.2 | .. | .. | .. | .. | .. | .. |
| Botswana | 17 | 355 | 21.2 | 36.2 | 0 | 27 | 0.6 | 4.5 | 0.9 | 4.3 |
| Lesotho | 8 | 182 | 7.8 | 33.4 | 0 | 4 | 0.3 | 2.5 | 2.7 | 4.2 |
| Swaziland | | | | | | | | | | |
| Angola | | | | | | | | | | |
| South Africa | | | | | | | | | | |
| South Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |

Note: Public and private debt includes public, publicly guaranteed, and private nonguaranteed debt; data are shown only when they are available for all categories.

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Development Indicators for Southern Africa
Table 19. External public debt and debt service ratios

| | External public debt outstanding and disbursed | | | | Interest payments on external public debt | | Debt service as percentage of: | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Millions of dollars | | As percentage of GNP | | (millions of dollars) | | GNP | | Exports of goods and services | |
| | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 122 | 910 | 43.2 | 76.6 | 4 | 36 | 2.3 | 9.4 | 7.8 | 46.1 |
| Mozambique | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tanzania | 250 | 3,650 | 19.5 | 81.6 | 7 | 26 | 1.3 | 1.5 | 5.3 | 15.3 |
| Zambia | 623 | 3,575 | 35.7 | 240.5 | 29 | 55 | 3.7 | 8.3 | 6.4 | 16.8 |
| Zimbabwe | 233 | 1,712 | 15.7 | 32.4 | 5 | 117 | 0.7 | 6.4 | 2.3 | 22.1 |
| Botswana | 17 | 355 | 21.2 | 26.2 | 0 | 27 | 0.6 | 4.5 | 0.9 | 4.3 |
| Lesotho | 5 | 182 | 7.8 | 32.4 | 1 | 4 | 0.3 | 2.5 | 2.7 | 4.2 |
| Swaziland | | | | | | | | | | |
| Angola | | | | | | | | | | |
| South Africa | | | | | | | | | | |
| South Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Country Groups | | | | | | | | | | |
| Low-income economies | .. | 121,205 t | .. | 19.2 w | .. | 3,846 t | .. | 1.5 w | .. | 14.1 w |
| China and India | .. | 49,106 t | .. | 9.8 w | .. | 2,129 t | .. | 1.0 w | .. | 11.1 w |
| Other low-income | 7,373 t | 72,100 t | 16.6 w | 54.4 w | 204 t | 1,718 t | 1.3 w | 3.3 w | 7.6 w | 21.9 w |
| Middle-income economies | 34,068 t | 654,432 t | 12.2 w | 42.2 w | 1,299 t | 42,629 t | 1.6 w | 5.6 w | 9.8 w | 20.9 w |
| Lower middle-income | 16,006 t | 247,863 t | 15.2 w | 51.9 w | 491 t | 12,921 t | 1.7 w | 5.6 w | 10.7 w | 24.1 w |
| Upper middle-income | 18,062 t | 406,569 t | 10.4 w | 37.9 w | 808 t | 29,708 t | 1.5 w | 5.6 w | 9.2 w | 19.7 w |
| Developing economies | 49,458 t | 775,637 t | 13.1 w | 35.5 w | 1,799 t | 47,485 t | 1.5 w | 4.4 w | 10.1 w | 21.4 w |
| Oil exporters | 10,341 t | 211,266 t | 12.2 w | 47.6 w | 394 t | 17,642 t | 1.7 w | 6.2 w | 12.0 w | 30.5 w |
| Exporters of manufactures | 17,391 t | 260,276 t | .. | 22.7 w | .. | 17,254 t | .. | 3.1 w | .. | 14.7 w |
| Highly indebted countries | 17,920 t | 354,401 t | 20.2 w | 45.8 w | 877 t | 29,584 t | 1.6 w | 5.0 w | 12.4 w | 29.5 w |
| Sub-Saharan Africa | 5,336 t | 82,360 t | 13.1 w | 57.4 w | 166 t | 2,404 t | 1.1 w | 4.3 w | 5.7 w | 19.3 w |
| High-income oil exporters | | | | | | | | | | |
| Industrial market economies | | | | | | | | | | |

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Development Indicators for Southern Africa
Table 20. Terms of external public borrowing

| | Commitments (millions of dollars) | | Average interest rate (percent) | | Average maturity (years) | | Average grace period (years) | | Public loans with variable interest rates, as a percentage of public debt | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 | 1970 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 14 | 118 | 3.8 | 3.2 | 29 | 27 | 6 | 8 | 0.0 | 4.9 |
| Mozambique | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tanzania | 284 | 196 | 1.2 | 1.0 | 39 | 48 | 11 | 10 | 1.6 | 4.1 |
| Zambia | 557 | 188 | 4.2 | 4.8 | 27 | 31 | 9 | 7 | 0.0 | 16.0 |
| Zimbabwe | .. | 209 | .. | 5.5 | .. | 18 | .. | 4 | 0.0 | 28.6 |
| Botswana | 38 | 43 | 0.6 | 6.8 | 39 | 20 | 10 | 6 | 0.0 | 10.4 |
| Lesotho | 0 | 40 | 5.5 | 3.0 | 38 | 31 | 2 | 7 | 0.0 | 0.0 |
| Swaziland | | | | | | | | | | |
| Angola | | | | | | | | | | |
| South Africa | | | | | | | | | | |
| South Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Country Groups | | | | | | | | | | |
| Low-income economies | .. | 19,695 t | .. | 5.1 w | .. | 24 w | .. | 6 w | .. | 11.3 w |
| China and India | .. | 11,958 t | .. | 5.9 w | .. | 18 w | .. | 5 w | .. | 18.6 w |
| Other low-income | 2,680 t | 7,737 t | 3.2 w | 3.7 w | 28 w | 32 w | 9 w | 8 w | 0.2 w | 6.2 w |
| Middle-income economies | 9,274 t | 51,796 t | 6.1 w | 7.6 w | 17 w | 14 w | 5 w | 5 w | 3.6 w | 53.3 w |
| Lower middle-income | 3,978 t | 23,542 t | 4.7 w | 7.3 w | 21 w | 16 w | 6 w | 5 w | 1.7 w | 35.1 w |
| Upper middle-income | 5,296 t | 28,254 t | 7.1 w | 7.8 w | 14 w | 12 w | 4 w | 4 w | 4.1 w | 64.4 w |
| Developing economies | 12,908 t | 71,490 t | 5.2 w | 6.9 w | 20 w | 16 w | 6 w | 5 w | 2.3 w | 46.8 w |
| Oil exporters | 2,852 t | 16,036 t | 6.1 w | 8.0 w | 18 w | 14 w | 5 w | 5 w | 4.0 w | 54.4 w |
| Exporters of manufactures | .. | 26,318 t | .. | 7.0 w | .. | 14 w | .. | 5 w | .. | 49.3 w |
| Highly indebted countries | 4,781 t | 16,382 t | 6.6 w | 8.0 w | 14 w | 16 w | 3 w | 4 w | 5.5 w | 68.7 w |
| Sub-Saharan Africa | 1,880 t | 7,144 t | 3.7 w | 5.4 w | 26 w | 25 w | 8 w | 6 w | 1.5 w | 24.9 w |
| High-income oil exporters | | | | | | | | | | |
| Industrial market economies | | | | | | | | | | |

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Development Indicators for Southern Africa
Table 21. Official development assistance: receipts

| | Net disbursement of ODA from all sources | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of dollars | | | | | | | Per capita (dollars) | As percentage of GNP |
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1986 | 1986 |
| Southern African Countries | | | | | | | | | |
| Malawi | 143 | 137 | 121 | 117 | 158 | 113 | 203 | 27.9 | 17.5 |
| Mozambique | 169 | 144 | 208 | 211 | 259 | 300 | 422 | 29.7 | 9.8 |
| Tanzania | 679 | 703 | 684 | 594 | 558 | 487 | 681 | 29.5 | 15.2 |
| Zambia | 318 | 232 | 317 | 217 | 209 | 328 | 464 | 64.8 | 31.2 |
| Zimbabwe | 164 | 212 | 216 | 208 | 198 | 237 | 225 | 25.8 | 4.2 |
| Botswana | 106 | 97 | 101 | 104 | 102 | 96 | 102 | 92.3 | 10.4 |
| Lesotho | 94 | 104 | 93 | 108 | 101 | 94 | 88 | 55.3 | 16.1 |
| Swaziland | | | | | | | | | |
| Angola | 53 | 61 | 80 | 75 | 95 | 92 | 131 | 14.6 | .. |
| South Africa | | | | | | | | | |
| South Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Country Groups | | | | | | | | | |
| Low-income economies | 12,042 t | 11,590 t | 11,652 t | 11,366 t | 11,572 t | 13,023 t | 16,059 t | 6.4 w | 2.4 w |
| China and India | 2,213 t | 2,387 t | 2,069 t | 2,410 t | 2,408 t | 2,467 t | 3,193 t | 1.7 w | 0.6 w |
| Other low-income | 9,829 t | 9,203 t | 9,583 t | 8,956 t | 9,165 t | 10,556 t | 12,866 t | 19.6 w | 9.0 w |
| Middle-income economies | 13,589 t | 13,519 t | 11,846 t | 11,712 t | 11,916 t | 12,653 t | 13,395 t | 11.5 w | 0.9 w |
| Lower middle-income | 11,589 t | 11,265 t | 9,956 t | 9,466 t | 9,537 t | 9,536 t | 10,039 t | 14.5 w | 2.0 w |
| Upper middle-income | 2,000 t | 2,254 t | 1,889 t | 2,246 t | 2,379 t | 3,117 t | 3,357 t | 7.1 w | 0.4 w |
| Developing economies | 25,630 t | 25,109 t | 23,498 t | 23,078 t | 23,489 t | 25,676 t | 29,454 t | 8.1 w | 1.4 w |
| Oil exporters | 4,985 t | 4,718 t | 4,177 t | 3,958 t | 4,130 t | 3,907 t | 4,437 t | 8.2 w | 1.0 w |
| Exporters of manufactures | 3,449 t | 3,823 t | 3,239 t | 3,933 t | 3,941 t | 4,715 t | 5,497 t | 2.7 w | 0.5 w |
| Highly indebted countries | 2,307 t | 2,723 t | 2,401 t | 2,376 t | 2,320 t | 3,018 t | 3,287 t | 5.8 w | 0.4 w |
| Sub-Saharan Africa | 6,971 t | 6,971 t | 7,162 t | 6,964 t | 7,207 t | 8,228 t | 10,018 t | 23.1 w | 6.2 w |
| High-income oil exporters | 46 t | 50 t | 80 t | 59 t | 48 t | 42 t | 81 t | 4.2 w | 0.1 w |
| Industrial market economies | .. | .. | .. | .. | .. | .. | .. | .. | .. |

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Development Indicators for Southern Africa
Table 22. Central government expenditure

| | Percentage of total expenditure | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Defense | | Education | | Health | | Housing, amenities; social security and welfare a | | Economic services | | Other a | |
| | 1972 | 1986 | 1972 | 1986 | 1972 | 1986 | 1972 | 1986 | 1972 | 1986 | 1972 | 1986 |
| Southern African Countries | | | | | | | | | | | | |
| Malawi b | 3.1 | 6.0 * | 15.8 | 11.0 * | 5.5 | 6.9 * | 5.8 | 1.9 * | 33.1 | 30.5 * | 36.8 | 43.7 * |
| Mozambique | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tanzania | 11.9 | 13.8 * | 17.3 | 7.2 * | 7.2 | 4.9 * | 2.1 | 1.4 * | 39.0 | 24.0 * | 22.6 | 48.6 * |
| Zambia b | 0.0 | .. | 19.0 | 16.0 * | 7.4 | 7.2 * | 1.3 | 2.6 * | 26.7 | 16.1 * | 45.7 | 58.1 * |
| Zimbabwe | .. | 15.2 * | .. | 20.9 * | .. | 6.2 * | .. | 4.7 * | .. | 26.0 * | .. | 27.0 * |
| Botswana b | 0.0 | 6.4 * | 10.1 | 17.7 * | 6.1 | 5.0 * | 21.5 | 7.3 * | 27.9 | 29.7 * | 34.3 | 34.0 * |
| Lesotho | 0.0 * | 9.6 * | 22.4 * | 15.5 * | 7.3 * | 6.9 * | 6.3 * | 1.5 * | 21.4 * | 25.5 * | 42.7 * | 41.0 * |
| Swaziland | | | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | | | |
| South Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Country Groups | | | | | | | | | | | | |
| Low-income economies | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| China and India | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Other low-income | .. | 17.7 *w | .. | 9.8 *w | .. | 3.6 *w | .. | 6.2 *w | .. | 23.8 * | .. | 38.9 * |
| Middle-income economies | 13.8 w | 11.7 *w | 13.2 w | 11.2 *w | 4.9 w | 4.8 *w | 19.1 w | 15.2 *w | 26.6 w | 20.0 *w | 22.4 w | 37.1 * |
| Lower middle-income | 16.1 w | 15.8 *w | 22.1 w | 14.5 *w | 6.6 w | 4.0 *w | 15.9 w | 9.1 *w | 24.4 w | 21.5 *w | 14.9 w | 35.1 * |
| Upper middle-income | 13.1 w | 10.3 *w | 9.6 w | 10.2 *w | 4.2 w | 5.1 *w | 21.4 w | 17.3 *w | 27.7 w | 19.6 *w | 24.0 w | 37.5 * |
| Developing economies | 14.3 w | 12.5 *w | 12.5 w | 10.3 *w | 4.7 w | 4.5 *w | 16.9 w | 13.8 *w | 25.6 w | 20.6 *w | 26.0 w | 38.3 * |
| Oil exporters | 15.8 w | 11.2 *w | 15.9 w | 13.3 *w | 5.4 w | 4.3 *w | 12.1 w | 10.8 *w | 32.3 w | 22.3 *w | 18.5 w | 38.1 * |
| Exporters of manufactures | .. | 13.6 *w | .. | 5.5 *w | .. | 4.2 *w | .. | 16.2 *w | .. | 20.3 *w | .. | 40.2 * |
| Highly indebted countries | 10.1 w | 5.7 *w | 15.8 w | 10.3 *w | 6.8 w | 4.9 *w | 29.3 w | 18.8 *w | 22.5 w | 18.0 *w | 15.5 w | 42.3 * |
| Sub-Saharan Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| High-income oil exporters | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Industrial market economies | 21.7 w | 16.4 *w | 5.4 w | 4.5 *w | 11.2 w | 12.9 *w | 42.3 w | 39.0 *w | 12.8 w | 9.5 *w | 12.0 w | 12.2 * |

a. See the technical notes. b. Refers to budgetary data. * Figures are for years other than those specified.
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Development Indicators for Southern Africa
Table 22. Central government expenditure

| | Total expenditure (percentage of GNP) | | Overall surplus/deficit (percentage of GNP) | |
|---|---|---|---|---|
| | 1972 | 1986 | 1972 | 1986 |
| **Southern African Countries** | | | | |
| Malawi b | 22.1 | 31.5 e | -6.2 | -8.4 e |
| Mozambique | .. | .. | .. | .. |
| Tanzania | 19.7 | 23.9 e | -5 | .. |
| Zambia b | 34.0 | 38.2 e | -13.8 | -16.3 e |
| Zimbabwe | .. | 35.2 | .. | -7 |
| Botswana b | 33.6 | 49.4 e | -23.8 | 31.8 e |
| Lesotho | 14.5 e | 24.2 e | 3.5 e | -2.6 e |
| Swaziland | | | | |
| Angola | .. | .. | .. | .. |
| **South Africa** | | | | |
| South Africa | 21.8 | 26.8 e | -4.2 | -4.5 e |
| **Country Groups** | | | | |
| Low-income economies | .. | .. | .. | .. |
| China and India | .. | .. | .. | .. |
| Other low-income w | .. | 20.8 ew | .. | -5.1 ew |
| Middle-income economies w | 21.7 w | 27.5 ew | -3.3 w | -5.5 ew |
| Lower middle-income w | 22.1 w | 24.9 ew | -5.2 w | -4.5 ew |
| Upper middle-income w | 21.6 w | 28.3 ew | -2.7 w | -6.3 ew |
| Developing economies w | 18.7 w | 26.3 ew | -3.5 w | -6.2 ew |
| Oil exporters w | 18.4 w | 27.9 ew | -3.2 w | -4.7 ew |
| Exporters of manufactures w | .. | 24.7 ew | .. | -7.0 ew |
| Highly indebted countries w | 17.5 w | 23.7 ew | -2.7 w | -7.6 ew |
| Sub-Saharan Africa | .. | .. | .. | .. |
| High-income oil exporters | .. | .. | .. | .. |
| Industrial market economies w | 22.2 w | 26.6 ew | -1.8 w | -5.1 ew |

Development Indicators for Southern Africa
Table 23. Central government current revenue

| | Percentage of total current revenue | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tax revenue | | | | | | | | | |
| | Taxes on income, profit, and capital gain | | Social security contributions | | Domestic taxes on goods and services | | Taxes on international trade and transactions | | Other taxes a | |
| | 1972 | 1986 | 1972 | 1986 | 1972 | 1986 | 1972 | 1986 | 1972 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi b | 31.5 | 34.6 * | 0.0 | 0.0 * | 24.3 | 28.5 * | 20.0 | 21.5 * | 0.4 | 0.5 * |
| Mozambique | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tanzania | 29.9 | .. | 0.0 | .. | 29.1 | .. | 21.7 | .. | 0.5 | .. |
| Zambia b | 49.7 | 28.4 * | 0.0 | 0.0 * | 20.2 | 40.2 * | 14.3 | 22.6 * | 0.1 | 1.3 * |
| Zimbabwe | .. | 42.8 * | .. | 0.0 * | .. | 30.6 * | .. | 15.6 * | .. | 1.1 * |
| Botswana b | 19.9 | 29.8 * | 0.0 | 0.0 * | 2.2 | 0.9 * | 47.2 | 13.9 * | 0.7 | 0.1 * |
| Lesotho | 10.3 * | 11.1 * | 0.0 * | 0.0 * | 2.5 * | 10.3 * | 74.0 * | 57.8 * | 5.4 * | 0.2 * |
| Swaziland | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | |
| South Africa | 54.8 | 52.2 * | 1.2 | 1.2 * | 21.5 | 32.5 * | 4.6 | 2.5 * | 5.0 | 3.1 * |
| Country Groups | | | | | | | | | | |
| Low-income economies | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| China and India | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Other low-income | .. | 16.8 * w | .. | .. | .. | 32.2 * w | .. | 28.1 * w | .. | .. |
| Middle-income economies | 21.3 w | 25.7 * w | .. | .. | 23.8 w | 25.5 * w | 14.1 w | 6.3 * w | .. | .. |
| Lower middle-income | 19.7 w | 31.7 * w | .. | .. | 33.9 w | 24.3 * w | 21.1 w | 13.7 * w | .. | .. |
| Upper middle-income | 22.5 w | 23.8 * w | .. | .. | 21.1 w | 25.8 * w | 11.6 w | 6.6 * w | .. | .. |
| Developing economies | 21.1 w | 24.6 * w | .. | .. | 25.7 w | 26.9 * w | 16.1 w | 10.5 * w | .. | .. |
| Oil exporters | 28.0 w | 32.5 * w | .. | .. | 19.2 w | 23.6 * w | 14.5 w | 6.4 * w | .. | .. |
| Exporters of manufactures | .. | 18.0 * w | .. | .. | .. | 25.1 * w | .. | 8.9 * w | .. | .. |
| Highly indebted countries | 18.3 w | 22.0 * w | .. | .. | 28.1 w | 32.1 * w | 13.9 w | 8.3 * w | .. | .. |
| Sub-Saharan Africa | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| High-income oil exporters | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Industrial market economies | 41.1 w | 40.0 * w | .. | .. | 21.2 w | 17.3 * w | 2.0 w | 1.2 * w | .. | .. |

a. See the technical notes. b. Refers to budgetary data. * Figures for years other than those specified.
Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 23. Central government current revenue

| | Nontax revenue | | Total current revenue (percentage of GNP) | |
|---|---|---|---|---|
| | 1972 | 1986 | 1972 | 1986 |
| **Southern African Countries** | | | | |
| Malawi b | 23.9 | 14.9 * | 16.0 | 22.3 * |
| Mozambique | .. | .. | .. | .. |
| Tanzania | 18.8 | .. | 15.8 | .. |
| Zambia b | 15.6 | 7.5 * | 23.2 | 23.9 * |
| Zimbabwe | .. | 10.0 * | .. | 26.8 * |
| Botswana b | 29.9 | 55.2 * | 30.7 | 82.6 * |
| Lesotho | 7.8 * | 10.5 * | 15.4 * | 21.9 * |
| Swaziland | | | | |
| Angola | .. | .. | .. | .. |
| **South Africa** | | | | |
| South Africa | 12.8 | 8.5 * | 21.2 | 23.3 * |
| **Country Groups** | | | | |
| Low-income economies | .. | .. | .. | .. |
| China and India | .. | .. | .. | .. |
| Other low-income | .. | 19.8 * w | .. | 15.4 * w |
| Middle-income economies | 22.5 w | 26.3 * w | 19.1 w | 24.0 * w |
| Lower middle-income | 15.3 w | .. | 16.7 w | 21.4 * w |
| Upper middle-income | 24.8 w | 28.3 * w | 20.3 * | 25.0 * w |
| Developing economies | 21.4 w | 25.5 * w | 16.2 w | 22.7 * w |
| Oil exporters | 30.6 w | 29.0 * w | 15.9 w | 22.6 * w |
| Exporters of manufactures | .. | 31.6 * w | .. | 23.0 * w |
| Highly indebted countries | 12.4 w | 22.9 * w | 16.4 w | 21.3 * w |
| Sub-Saharan Africa | .. | .. | .. | .. |
| High-income oil exporters | .. | .. | .. | .. |
| Industrial market economies | 6.2 w | 9.0 * w | 21.6 w | 24.1 * w |

Development Indicators for Southern Africa
Table 24. Money and interest rates

| | Monetary holdings, broadly defined | | | | | Average annual inflation (GDP deflator) | Nominal interest rates of banks (average annual percentage) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Average annual nominal growth rate (percent) | | Average outstanding (percentage of GDP) | | | | Deposit rate | | Lending rate | |
| | 1965-80 | 1980-86 | 1965 | 1980 | 1986 | 1980-86 | 1980 | 1986 | 1980 | 1986 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 15.4 | 15.9 | 17.7 | 20.3 | 22.0 | 12.4 | 7.92 | 12.75 | 16.67 | 19.00 |
| Mozambique | .. | .. | .. | .. | .. | 28.1 | .. | .. | .. | .. |
| Tanzania | 20.1 * | .. | .. | 37.2 | .. | 21.5 | 6.25 | 8.59 | 11.50 | 18.50 |
| Zambia | 12.7 | 24.4 | .. | 32.6 | 28.3 | 23.3 | 7.00 | .. | 9.50 | 27.40 |
| Zimbabwe | .. | 12.4 | .. | 54.6 | 45.2 | 13.0 | 3.52 | 10.28 | 17.54 | 13.00 |
| Botswana | .. | 19.7 | .. | 31.1 | 27.1 | 7.6 | 5.00 | 8.67 | 8.48 | 11.00 |
| Lesotho | .. | 20.2 | .. | .. | 48.4 | 13.1 | 9.60 * | 11.04 | 11.00 | 13.42 |
| Swaziland | | | | | | | | | | |
| Angola | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Africa | | | | | | | | | | |
| South Africa | 14.0 | 14.9 | 56.6 | 49.5 | 52.5 | 12.6 | 5.54 | 10.98 | 9.50 | 14.33 |

* Figures are for years other than those specified.
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Development Indicators for Southern Africa
Table 25. Population growth and projections

| | Average annual growth of population (percent) | | | Population (millions) | | | Hypothetical size of stationary population (billions) | Assumed year of reaching net reproduction rate of 1 | Population momentum 1985 |
|---|---|---|---|---|---|---|---|---|---|
| | 1965-80 | 1980-86 | 1986-2000 | 1986 | 1990 a | 2000 a | | | |
| Southern African Countries | | | | | | | | | |
| Malawi | 2.9 | 3.2 | 3.3 | 7 | 8 | 12 | 42 | 2040 | 1.9 |
| Mozambique | 2.5 | 2.7 | 3.0 | 14 | 16 | 22 | 74 | 2040 | 1.9 |
| Tanzania | 3.3 | 3.5 | 3.4 | 23 | 27 | 37 | 123 | 2035 | 2.0 |
| Zambia | 3.1 | 3.5 | 3.4 | 7 | 8 | 11 | 37 | 2035 | 2.0 |
| Zimbabwe | 3.1 | 3.7 | 3.0 | 9 | 10 | 13 | 33 | 2025 | 2.0 |
| Botswana | 3.5 | 3.5 | 3.3 | 1 | 1 | 2 | 5 | 2025 | 2.0 |
| Lesotho | 2.3 | 2.7 | 2.7 | 2 | 2 | 2 | 6 | 2030 | 1.8 |
| Swaziland | | | | | | | | | |
| Angola | 2.8 | 2.6 | 2.8 | 9 | 10 | 13 | 43 | 2040 | 1.9 |
| South Africa | | | | | | | | | |
| South Africa | 2.4 | 2.2 | 2.3 | 32 | 36 | 45 | 90 | 2020 | 1.8 |
| Country Groups | | | | | | | | | |
| Low-income economies | 2.3 w | 1.9 w | 1.9 w | 2,493 t | 2,700 t | 3,246 t | | | |
| China and India | 2.2 w | 1.6 w | 1.6 w | 1,835 t | 1,963 t | 2,201 t | | | |
| Other low-income | 2.7 w | 2.8 w | 2.8 w | 656 t | 736 t | 966 t | | | |
| Middle-income economies | 2.4 w | 2.3 w | 2.1 w | 1,268 t | 1,380 t | 1,680 t | | | |
| Lower middle-income | 2.5 w | 2.6 w | 2.3 w | 691 t | 752 t | 941 t | | | |
| Upper middle-income | 2.2 w | 1.9 w | 1.8 w | 577 t | 622 t | 739 t | | | |
| Developing economies | 2.3 w | 2.1 w | 2.0 w | 3,761 t | 4,079 t | 4,926 t | | | |
| Oil exporters | 2.7 w | 2.7 w | 2.5 w | 538 t | 595 t | 754 t | | | |
| Exporters of manufactures | 2.2 w | 1.8 w | 1.5 w | 2,132 t | 2,277 t | 2,635 t | | | |
| Highly indebted countries | 2.5 w | 2.4 w | 2.2 w | 570 t | 625 t | 777 t | | | |
| Sub-Saharan Africa | 2.7 w | 3.1 w | 3.2 w | 424 t | 482 t | 653 t | | | |
| High-income oil exporters | 5.3 w | 4.2 w | 3.6 w | 19 t | 22 t | 31 t | | | |
| Industrial market economies | 0.6 w | 0.6 w | 0.4 w | 742 t | 756 t | 782 t | | | |
| Nonreporting nonmembers | 1.0 w | 1.0 w | 0.8 w | 367 t | 381 t | 414 t | | | |

a. For the assumptions used in the projections, see the technical notes.
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Development Indicators for Southren Africa
Table 26. Demography and fertility

| | Crude birth rate per thousand population | | Crude death rate per thousand population | | Percentage of women of childbearing age | | Total fertility rate | | | Percentage of married women of childbearing age using contraception a | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1965 | 1986 | 1965 | 1986 | 1965 | 1985 | 1965 | 1986 | 2000 | 1970 | 1985 |
| Southern African Countries | | | | | | | | | | | |
| Malawi | 56 | 53 | 26 | 21 | 45 | 41 | 7.8 | 7.6 | 6.8 | .. | .. |
| Mozambique | 49 | 45 | 27 | 17 | 48 | 44 | 6.8 | 6.3 | 6.1 | .. | .. |
| Tanzania | 49 | 50 | 22 | 15 | 46 | 44 | 6.6 | 7.0 | 6.2 | .. | .. |
| Zambia | 49 | 49 | 20 | 14 | 45 | 44 | 6.6 | 6.8 | 5.9 | .. | .. |
| Zimbabwe | 55 | 45 | 17 | 11 | 44 | 41 | 8.0 | 6.0 | 4.4 | .. | 40 |
| Botswana | 53 | 45 | 19 | 11 | 45 | 44 | 6.9 | 6.6 | 4.9 | .. | 28 * |
| Lesotho | 42 | 41 | 18 | 12 | 46 | 45 | 5.8 | 5.8 | 5.1 | .. | .. |
| Swaziland | | | | | | | | | | | |
| Angola | 49 | 48 | 29 | 21 | 46 | 46 | 6.4 | 6.4 | 6.2 | .. | .. |
| South Africa | | | | | | | | | | | |
| South Africa | 40 | 34 | 16 | 10 | 46 | 47 | 6.1 | 4.5 | 3.5 | .. | .. |
| Country Groups | | | | | | | | | | | |
| Low-income economies | 42 w | 30 w | 16 w | 10 w | 45 w | 50 w | 6.4 w | 3.9 w | 3.5 w | | |
| China and India | 41 w | 25 w | 14 w | 9 w | 45 w | 51 w | 6.3 w | 3.2 w | 2.9 w | | |
| Other low-income | 46 w | 43 w | 21 w | 15 w | 45 w | 46 w | 6.6 w | 6.0 w | 5.1 w | | |
| Middle-income economies | 39 w | 31 w | 14 w | 9 w | 46 w | 48 w | 5.6 w | 4.1 w | 3.4 w | | |
| Lower middle-income | 44 w | 35 w | 17 w | 10 w | 46 w | 48 w | 6.3 w | 4.7 w | 3.9 w | | |
| Upper middle-income | 34 w | 27 w | 11 w | 8 w | 46 w | 49 w | 4.9 w | 3.5 w | 3.0 w | | |
| Developing economies | 41 w | 30 w | 15 w | 10 w | 45 w | 49 w | 6.1 w | 4.0 w | 3.5 w | | |
| Oil exporters | 46 w | 37 w | 16 w | 10 w | 46 w | 47 w | 6.4 w | 4.9 w | 4.0 w | | |
| Exporters of manufactures | 39 w | 24 w | 13 w | 9 w | 45 w | 51 w | 6.0 w | 3.1 w | 2.8 w | | |
| Highly indebted countries | 41 w | 33 w | 14 w | 9 w | 45 w | 48 w | 5.9 w | 4.3 w | 3.6 w | | |
| Sub-Saharan Africa | 48 w | 48 w | 22 w | 16 w | 45 w | 44 w | 6.6 w | 6.7 w | 6.0 w | | |
| High-income oil exporters | 48 w | 41 w | 18 w | 8 w | 46 w | 44 w | 7.3 w | 6.8 w | 5.6 w | | |
| Industrial market economies | 19 w | 13 w | 10 w | 9 w | 47 w | 50 w | 2.7 w | 1.7 w | 1.8 | | |
| Nonreporting nonmembers | 20 w | 20 w | 8 w | 10 w | 47 w | 48 w | 2.7 w | 2.5 w | 2.3 w | | |

a. Figures include women whose husbands practice contraception; see the technical notes.
* Figures for years other than those specified.
Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 27. Health and nutrition

| | Population per: | | | | Daily calorie supply per capita | | Babies with low birth weights (percent) |
|---|---|---|---|---|---|---|---|
| | Physician | | Nursing person | | | | |
| | 1965 | 1981 | 1965 | 1981 | 1965 | 1985 | 1984 |
| **Southern African Countries** | | | | | | | |
| Malawi | 46,890 | 52,830 | .. | 2,980 | 2,132 | 2,415 | 20 |
| Mozambique | 18,000 | 36,970 | 5,370 | 5,610 | 1,982 | 1,617 | 16 |
| Tanzania | 21,700 | .. | 2,100 | .. | 1,970 | 2,316 | 12 |
| Zambia | 11,380 | 7,800 | 5,820 | 1,660 | 2,073 | 2,126 | 2 |
| Zimbabwe | 8,010 | 7,100 | 990 | 1,000 | 2,089 | 2,144 | 15 |
| Botswana | 27,460 | 7,400 | 17,720 | 700 | 2,015 | 2,159 | 12 |
| Lesotho | 20,060 | .. | 4,700 | .. | 2,065 | 2,299 | 11 |
| Swaziland | | | | | | | |
| Angola | 13,150 | .. | 3,820 | .. | 1,912 | 1,926 | 19 |
| **South Africa** | | | | | | | |
| South Africa | 2,050 | .. | 490 | .. | 2,643 | 2,926 | 12 |
| **Country Groups** | | | | | | | |
| Low-income economies | 8,570 w | 6,050 w | 4,920 w | 3,890 w | 2,046 w | 2,329 w | |
| China and India | 4,230 w | 2,550 w | 4,450 w | 2,920 w | 2,061 w | 2,411 w | |
| Other low-income | 26,620 w | 17,670 w | 7,250 w | 7,130 w | 1,998 w | 2,100 w | |
| Middle-income economies | 9,830 w | 4,940 w | 3,290 w | 1,400 w | 2,358 w | 2,719 w | |
| Lower middle-income | 17,340 w | 7,850 w | 4,780 w | 1,760 w | 2,117 w | 2,511 w | |
| Upper middle-income | 2,310 w | 1,380 w | 1,690 w | 900 w | 2,621 w | 2,967 w | |
| Developing economies | 6,590 w | 5,690 w | 4,360 w | 3,230 w | 2,149 w | 2,460 w | |
| Oil exporters | 18,400 w | 7,020 w | 5,850 w | .. w | 2,115 w | 2,664 w | |
| Exporters of manufactures | 3,870 w | 2,340 w | 3,950 w | 2,560 w | 2,155 w | 2,482 w | |
| Highly indebted countries | 7,930 w | 4,580 w | 2,070 w | .. w | 2,425 w | 2,607 w | |
| Sub-Saharan Africa | 33,830 w | 25,310 w | 4,820 w | 2,830 w | 2,098 w | 2,067 w | |
| High-income oil exporters | 7,500 w | 1,380 w | 4,440 w | 580 w | 1,969 w | 3,213 w | |
| Industrial market economies | 870 w | 550 w | 420 w | 180 w | 3,137 w | 3,357 w | |
| Nonreporting nonmembers | 770 w | 300 w | 370 w | .. | 3,155 w | 3,304 w | |

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Development Indicators for Southern Africa
Table 28. Education

| | Percentage of age group enrolled in education | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Primary | | | | | | Secondary | | | | | | Tertiary | |
| | Total | | Male | | Female | | Total | | Male | | Female | | Total | |
| | 1965 | 1985 | 1965 | 1985 | 1965 | 1985 | 1965 | 1985 | 1965 | 1985 | 1965 | 1985 | 1965 | 1985 |
| Southern African Countries | | | | | | | | | | | | | | |
| Malawi | 44 | 62 * | 55 | 71 * | 32 | 53 * | 2 | 4 * | 3 | 6 * | 1 | 2 * | 0 | 1 * |
| Mozambique | 37 | 84 | 48 | 94 | 26 | 74 | 3 | 7 | 3 | 9 | 2 | 4 | 0 | 0 |
| Tanzania | 32 | 72 | 40 | 90 * | 25 | 85 * | 2 | 3 | 3 | 4 * | 1 | 2 * | 0 | 0 |
| Zambia | 53 | 103 * | 59 | 106 * | 46 | 96 * | 7 | 19 * | 11 | 24 * | 3 | 14 * | .. | 2 |
| Zimbabwe | 110 | 131 | 128 | 135 | 92 | 128 | 6 | 43 | 8 | 51 | 5 | 35 | 0 | 3 * |
| Botswana | 65 | 104 | 59 | 98 | 71 | 109 | 3 | 29 | 5 | 27 | 3 | 31 | .. | 1 |
| Lesotho | 94 | 115 | 74 | 102 | 114 | 127 | 4 | 22 * | 4 | 18 * | 4 | 26 * | 0 | 2 * |
| Swaziland | | | | | | | | | | | | | | |
| Angola | 39 | 93 * | 53 | .. | 26 | .. | 5 | 13 * | 6 | .. | 4 | .. | 0 | 1 * |
| South Africa | | | | | | | | | | | | | | |
| South Africa | 90 | .. | 91 | .. | 88 | .. | 15 | .. | 16 | .. | 14 | .. | 4 | .. |
| Country Groups | | | | | | | | | | | | | | |
| Low-income economies | 74 w | 99 w | .. | 110 w | .. | 88 w | 22 w | 34 w | .. | 41 w | .. | 26 w | 2 w | .. |
| China and India | 83 w | 110 w | .. | 121 w | .. | 98 w | 25 w | 37 w | .. | 45 w | .. | 29 w | 2 w | .. |
| Other low-income | 44 w | 67 w | 58 w | 75 w | 31 w | 56 w | 9 w | 22 w | 13 w | 28 w | 4 w | 16 w | 1 w | 5 w |
| Middle-income economies | 85 w | 104 w | 92 w | 109 w | 79 w | 101 w | 22 w | 49 w | 26 w | 57 w | 19 w | 51 w | 5 w | 14 w |
| Lower middle-income | 75 w | 104 w | 84 w | 111 w | 66 w | 100 w | 16 w | 42 w | 21 w | 56 w | 12 w | 41 w | 4 w | 13 w |
| Upper middle-income | 97 w | 105 w | 100 w | 108 w | 93 w | 102 w | 29 w | 57 w | 31 w | 60 w | 26 w | 63 w | 7 w | 16 w |
| Developing economies | 78 w | 101 w | 84 w | 110 w | 62 w | 92 w | 22 w | 39 w | 28 w | 45 w | 14 w | 33 w | 2 w | 8 w |
| Oil exporters | 69 w | 107 w | 78 w | 113 w | 59 w | 101 w | 14 w | 44 w | 20 w | 53 w | 9 w | 42 w | 2 w | 10 w |
| Exporters of manufactures | 86 w | 109 w | .. | 119 w | .. | 98 w | 27 w | 40 w | .. | 48 w | .. | 33 w | 2 w | .. |
| Highly indebted countries | 88 w | 104 w | 91 w | 108 w | 84 w | 99 w | 21 w | 47 w | 23 w | 57 w | 20 w | 57 w | 5 w | 16 w |
| Sub-Saharan Africa | 41 w | 75 w | 52 w | 85 w | 31 w | 67 w | 4 w | 23 w | 6 w | 26 w | 2 w | 14 w | 0 w | 2 w |
| High-income oil exporters | 43 w | 86 w | 60 w | 82 w | 25 w | 69 w | 10 w | 56 w | 15 w | 55 w | 5 w | 41 w | 1 w | 11 w |
| Industrial market economies | 107 w | 102 w | 107 w | 101 w | 106 w | 101 w | 63 w | 93 w | 65 w | 91 w | 61 w | 92 w | 21 w | 39 w |
| Nonreporting nonmembers | 102 w | 105 w | 103 w | .. | 102 w | .. | 66 w | 92 w | 69 w | .. | 72 w | .. | .. | 21 w |

*Figures for years other than those specified.
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Development Indicators for Southern Africa
Table 29. Labor force

| | Percentage of population of working age (15-64 years) | | Percentage of labor force in | | | | | | Average annual growth of labor force (percent) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Agriculture | | Industry | | Services | | | | |
| | 1965 | 1985 | 1965 | 1980 | 1965 | 1980 | 1965 | 1980 | 1965-80 | 1980-85 | 1985-2000 |
| Southern African Countries | | | | | | | | | | | |
| Malawi | 51 | 47 | 92 | 83 | 3 | 7 | 5 | 9 | 2.2 | 2.6 | 2.6 |
| Mozambique | 55 | 51 | 87 | 85 | 6 | 7 | 7 | 8 | 3.2 | .. | .. |
| Tanzania | 53 | 50 | 92 | 86 | 3 | 5 | 6 | 10 | 2.8 | 2.8 | 3.0 |
| Zambia | 51 | 48 | 79 | 73 | 8 | 10 | 13 | 17 | 2.7 | 3.2 | 3.5 |
| Zimbabwe | 51 | 45 | 79 | 73 | 8 | 11 | 13 | 17 | 3.0 | 2.7 | 3.0 |
| Botswana | 50 | 48 | 89 | 70 | 4 | 13 | 8 | 17 | 2.4 | 3.5 | 3.4 |
| Lesotho | 56 | 52 | 92 | 86 | 2 | 4 | 6 | 10 | 1.8 | 2.0 | 2.1 |
| Swaziland | | | | | | | | | | | |
| Angola | 54 | 52 | 79 | 74 | 8 | 10 | 13 | 17 | 2.2 | 1.7 | 2.1 |
| South Africa | | | | | | | | | | | |
| South Africa | 54 | 55 | 32 | 17 | 30 | 35 | 39 | 49 | 2.8 | 2.8 | 2.8 |
| Country Groups | | | | | | | | | | | |
| Low-income economies | 54 w | 59 w | 77 w | 72 w | 9 w | 13 w | 14 w | 15 w | 2.1 w | 2.3 w | 1.9 w |
| China and India | 55 w | 61 w | 77 w | 72 w | 9 w | 14 w | 14 w | 14 w | 2.1 w | 2.3 w | 1.6 w |
| Other low-income | 52 w | 52 w | 79 w | 71 w | 8 w | 10 w | 13 w | 19 w | 2.2 w | 2.5 w | 2.6 w |
| Middle-income economies | 54 w | 57 w | 56 w | 43 w | 17 w | 23 w | 27 w | 34 w | 2.5 w | 2.5 w | 2.4 w |
| Lower middle-income | 52 w | 55 w | 65 w | 55 w | 12 w | 16 w | 23 w | 29 w | 2.4 w | 2.6 w | 2.5 w |
| Upper middle-income | 56 w | 59 w | 45 w | 29 w | 23 w | 31 w | 32 w | 40 w | 2.6 w | 2.3 w | 2.3 w |
| Developing economies | 54 w | 58 w | 70 w | 62 w | 12 w | 16 w | 18 w | 22 w | 2.3 w | 2.4 w | 2.1 w |
| Oil exporters | 52 w | 53 w | 61 w | 49 w | 15 w | 19 w | 24 w | 31 w | 2.8 w | 2.6 w | 2.8 w |
| Exporters of manufactures | 55 w | 61 w | 71 w | 66 w | 11 w | 16 w | 16 w | 17 w | 2.2 w | 2.2 w | 1.6 w |
| Highly indebted countries | 53 w | 56 w | 51 w | 40 w | 18 w | 23 w | 31 w | 37 w | 2.9 w | 2.5 w | 2.5 w |
| Sub-Saharan Africa | 52 w | 50 w | 79 w | 75 w | 8 w | 9 w | 13 w | 16 w | 2.5 w | 2.4 w | 2.7 w |
| High-income oil exporters | 53 w | 54 w | 58 w | 35 w | 15 w | 21 w | 28 w | 44 w | 5.6 w | 4.4 w | 3.4 w |
| Industrial market economies | 63 w | 67 w | 14 w | 7 w | 38 w | 35 w | 48 w | 58 w | 1.3 w | 1.0 w | 0.5 w |
| Nonreporting nonmembers | 61 w | 65 w | 34 w | 22 w | 34 w | 39 w | 32 w | 39 w | 1.3 w | 1.1 w | 0.8 w |

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Development Indicators for Southern Africa
Table 30. Urbanization

| | Urban population | | | | Percentage of urban population | | | | Number of cities of over 500,000 persons | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As percentage of total population | | Average annual growth rate (percent) | | In largest city | | In cities of over 500,000 persons | | | |
| | 1965 | 1985 | 1965-80 | 1980-85 | 1960 | 1980 | 1960 | 1980 | 1960 | 1980 |
| Southern African Countries | | | | | | | | | | |
| Malawi | 5 | .. | 7.8 | .. | .. | 19 | 0 | 0 | 0 | 0 |
| Mozambique | 5 | 19 | 11.8 | 5.3 | 75 | 83 | 0 | 83 | 0 | 1 |
| Tanzania | 6 | 14 | 8.7 | 8.3 | 34 | 50 | 0 | 50 | 0 | 1 |
| Zambia | 24 | 48 | 7.1 | 5.5 | .. | 35 | 0 | 35 | 0 | 1 |
| Zimbabwe | 14 | 27 | 7.5 | 5.0 | 40 | 50 | 0 | 50 | 0 | 1 |
| Botswana | 4 | 20 | 15.4 | 4.5 | .. | .. | .. | .. | .. | .. |
| Lesotho | 2 | 17 | 14.6 | 5.3 | .. | .. | 0 | 0 | 0 | 0 |
| Swaziland | | | | | | | | | | |
| Angola | 13 | 25 | 6.4 | 5.8 | 44 | 64 | 0 | 64 | 0 | 1 |
| South Africa | | | | | | | | | | |
| South Africa | 47 | 56 | 2.6 | 3.3 | 16 | 13 | 44 | 53 | 4 | 7 |
| Country Groups | | | | | | | | | | |
| Low-income economies | 17 w | 22 w | 3.6 w | 4.0 w | 10 w | 16 w | 31 w | 55 w | 54 t | 148 t |
| China and India | 18 w | 23 w | 3.0 w | 3.6 w | 7 w | 6 w | 33 w | 59 w | 49 t | 114 t |
| Other low-income | 13 w | 20 w | 4.9 w | 5.4 w | 26 w | 30 w | 19 w | 40 w | 5 t | 34 t |
| Middle-income economies | 37 w | 48 w | 4.4 w | 3.5 w | 28 w | 27 w | 37 w | 49 w | 59 t | 131 t |
| Lower middle-income | 27 w | 36 w | 4.5 w | 3.7 w | 29 w | 31 w | 31 w | 46 w | 22 t | 55 t |
| Upper middle-income | 49 w | 65 w | 3.8 w | 3.2 w | 27 w | 26 w | 39 w | 50 w | 37 t | 76 t |
| Developing economies | 24 w | 31 w | 3.9 w | 3.8 w | 19 w | 21 w | 34 w | 46 w | 113 t | 279 t |
| Oil exporters | 29 w | 41 w | 4.3 w | 3.5 w | 24 w | 24 w | 34 w | 48 w | 17 t | 47 t |
| Exporters of manufactures | 23 w | 29 w | 3.2 w | 3.5 w | 12 w | 12 w | 37 w | 46 w | 70 t | 154 t |
| Highly indebted countries | 44 w | 57 w | 3.5 w | 3.5 w | 23 w | 23 w | 35 w | 50 w | 29 t | 67 t |
| Sub-Saharan Africa | 13 w | 25 w | 6.2 w | 5.7 w | 22 w | 32 w | 8 w | 42 w | 2 t | 14 t |
| High-income oil exporters | 40 w | 73 w | 9.5 w | 6.0 w | 29 w | 28 w | 0 w | 34 w | 0 t | 3 t |
| Industrial market economies | 70 w | 75 w | 1.4 w | 1.5 w | 18 w | 18 w | 48 w | 55 w | 104 t | 152 t |
| Nonreporting nonmembers | 52 w | 65 w | 2.4 w | 1.8 w | 9 w | 8 w | 23 w | 32 w | 31 t | 59 t |

Extracted from: The World Bank's World Development Report 1988

Table 31. Women in Development

| | Population ratios | | | | Life expectancy at birth (years) | | | | Health and welfare | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Females per 100 males | | | | | | | | | | | |
| | Total | | Age 0-4 | | Female | | Male | | Births attended by health staff (percent) | Maternal mortality (per 100,000 live births) | Infant mortality (per 1,000 live births | |
| | 1965 | 1985 | 1965 | 1985 | 1965 | 1986 | 1965 | 1986 | 1984 | 1980 | 1965 | 1986 |
| Southern African Countries | | | | | | | | | | | | |
| Malawi | 104 | 103 | 100 | 100 | 40 | 47 | 39 | 44 | 59 | 250 | 200 | 153 |
| Mozambique | 104 | 105 | 100 | 99 | 39 | 49 | 36 | 46 | 28 | 479 b | 165 | 120 |
| Tanzania | 103 | 103 | 100 | 99 | 45 | 55 | 41 | 51 | 74 | 370 b | 138 | 108 |
| Zambia | 101 | 103 | 100 | 99 | 46 | 54 | 43 | 51 | .. | 140 | 121 | 82 |
| Zimbabwe | 102 | 100 | 99 | 99 | 50 | 60 | 46 | 56 | 69 | 145 b | 103 | 74 |
| Botswana | 111 | 111 | 100 | 99 | 49 | 62 | 46 | 56 | .. | 250 | 112 | 69 |
| Lesotho | 102 | 102 | 99 | 99 | 50 | 57 | 47 | 53 | 28 | .. | 142 | 102 |
| Swaziland | | | | | | | | | | | | |
| Angola | 104 | 103 | 101 | 99 | 37 | 45 | 34 | 43 | 15 | .. | 192 | 139 |
| South Africa | | | | | | | | | | | | |
| South Africa | 103 | 99 | 99 | 98 | 54 | 63 | 49 | 59 | .. | 550 c | 124 | 74 |
| Country Groups | | | | | | | | | | | | |
| Low-income economies | 96 w | 95 w | 97 w | 95 w | 50 w | 61 w | 47 w | 60 w | .. | 329 w | 122 w | 69 |
| China and India | 95 w | 94 w | 97 w | 95 w | 51 w | 64 w | 48 w | 63 w | .. | 237 w | 115 w | 56 |
| Other low-income | 99 w | 99 w | 98 w | 97 w | 44 w | 54 w | 43 w | 52 w | 52 w | 507 w | 150 w | 106 |
| Middle-income economies | 101 w | 100 w | 97 w | 97 w | 56 w | 65 w | 53 w | 61 w | 53 w | 381 w | 109 w | 65 |
| Lower middle-income | 101 w | 100 w | 97 w | 97 w | 50 w | 51 w | 47 w | 57 w | 38 w | 586 w | 133 w | 77 |
| Upper middle income | 101 w | 100 w | 96 w | 96 w | 62 w | 70 w | 58 w | 64 w | 76 w | 121 w | 83 w | 50 |
| Developing economies | 97 w | 97 w | 97 w | 96 w | 52 w | 63 w | 49 w | 60 w | 44 w | 346 w | 118 w | 67 |
| Oil exporters | 101 w | 100 w | 98 w | 97 w | 49 w | 61 w | 47 w | 57 w | 35 w | 704 w | 139 w | 83 |
| Exporters of manufactures | 96 w | 95 w | 97 w | 95 w | 53 w | 65 w | 50 w | 64 w | .. w | 217 w | 109 w | 54 |
| Highly indebted countries | 100 w | 100 w | 97 w | 97 w | 57 w | 65 w | 53 w | 60 w | 68 w | 384 w | 107 w | 64 |
| Sub-Saharan Africa | 103 w | 102 w | 100 w | 99 w | 44 w | 52 w | 41 w | 49 w | 46 w | 973 w | 161 w | 113 |
| High-income oil exporters | 92 w | 80 w | 96 w | 97 w | 51 w | 66 w | 48 w | 62 w | 86 w | 47 w | 138 w | 62 |
| Industrial market economies | 104 w | 104 w | 96 w | 96 w | 74 w | 79 w | 68 w | 73 w | 99 w | 11 w | 24 w | 9 |
| Nonreporting nonmembers | 116 w | 110 w | 95 w | 98 w | 72 w | 77 w | 65 w | 65 w | 98 w | .. | 33 w | 39 |

a. See technical notes. b. Data refer to maternal mortality in hospitals and other medical institutions only.
c. Community data from rural areas only. d. New estimates.
Extracted from: The World Bank's World Development Report 1988

Development Indicators for Southern Africa
Table 31. Women in Development

| | Education | | | |
|---|---|---|---|---|
| | Females per 100 males | | | |
| | Primary | | Secondary a | |
| | 1965 | 1985 | 1970 | 1985 |
| **Southern African Countries** | | | | |
| Malawi | .. | 77 | 39 | 48 |
| Mozambique | .. | 78 | .. | 49 |
| Tanzania | 60 | 99 | 38 | 58 |
| Zambia | 78 | 89 | 49 | 58 |
| Zimbabwe | .. | 94 | 63 | 68 |
| Botswana | 129 | 110 | .. | 115 |
| Lesotho | 157 | 125 | 111 | 150 |
| Swaziland | | | | |
| Angola | .. | .. | .. | .. |
| **South Africa** | | | | |
| South Africa | .. | .. | .. | .. |
| **Country Groups** | | | | |
| Low-income economies w | 53 w | 74 w | 39 w | 60 w |
| China and India w | .. w | 75 w | .. | 61 w |
| Other low-income w | 47 w | 68 w | 37 w | 53 w |
| Middle-income economies w | 77 w | 88 w | 82 w | 92 w |
| Lower middle-income w | 73 w | 86 w | 59 w | 79 w |
| Upper middle income w | 82 w | 90 w | 111 w | 109 w |
| Developing economies w | 62 w | 78 w | 59 w | 67 w |
| Oil exporters w | 62 w | 86 w | 55 w | 77 w |
| Exporters of manufactures w | 62 w | 76 w | 63 w | 67 w |
| Highly indebted countries w | 81 w | 89 w | 87 w | 92 w |
| Sub-Saharan Africa w | 57 w | 76 w | 40 w | 55 w |
| High-income oil exporters w | 34 w | 81 w | 22 w | 74 w |
| Industrial market economies w | 95 w | 95 w | 95 w | 98 w |
| Nonreporting nonmembers w | .. | .. | .. | .. |

# MALAWI:

## ECONOMIC POLICY PROFILE

### 1. LIBERALIZATION STRATEGY OVERVIEW(1)

Malawi is a predominately agricultural economy which is small, landlocked, and poor even by sub-Saharan Africa standards with a 1987 per capita income of US$174. Over 35% of GDP derives from agriculture, which is the source of most of the country's export earnings also. Export crops, which include tobacco, tea, and sugar, comprise 20% of GDP and are subject to drastic price fluctuations in world markets. Lack of direct access to the sea has meant continuing vulnerability to costly regional disruptions in transport routes through neighboring countries. A rapid population growth rate of up to 3.7% means that the population of nearly 7.5 million in 1987 is stressing the land base and placing pressure on production's ability to keep pace with per capita demand.

The country maintained relatively stable financial conditions until the 1970s, achieving a real per capita income growth rate of 3% per annum until 1978 through adoption of liberal economic policies. After 1978 a combination of external shocks and domestic factors slackened the growth rate, adversely affected the balance of payments position, and introduced inflationary pressures. The result was a need for comprehensive
debt rescheduling in 1982 and 1983, associated with adjustment programs and assistance from the World Bank and the IMF. The adjustment package included price liberalization which realigned key relative prices and incentives. The parastatal sector has been under realignment while domestic demand

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(1) The discussion in this paper is based upon analyses and documents of the Government of Malawi,the World Bank, the International Monetary Fund and U.S. A.I.D., as well as discussions with officials in Malawi. It is intended to provide an overview of issues and progress concerning economic management of Malawi's economy and to assist U.S. A.I.D. in considering a five year development strategy for Southern Africa.

pressures were cut and domestic external financial imbalances were reduced. The result was some recovery of economic growth to a real GDP growth rate of close to 4% per annum during 1983-85. Post-1984 there was a significant weakening of the economy; 1985-86 witnessed a rapid deterioration of the country's external financial situation due predominately to a sharp downturn in the terms of trade. Administrative controls were introduced on foreign exchange payments for private sector imports. Inflation rose and rates of real growth declined. Severe refugee problems have stressed the nation's meager resources and fiscal imbalances have delayed planned reforms and realignment of the economy. The Government of Malawi has developed a comprehensive adjustment program as part of its macroeconomic and sector policy reforms contained in the Government's medium term development strategy. While the 1986-87 stabilization period was difficult, showing real GDP growing at only 2.8% in 1986 and falling by 0.2% in 1987, the country's efforts rewarded estimates of real GDP growth for 1988 range between 3 to 4%.

The Government's Statement of Development Policies, 1987-1996, as well as a Policy Framework Paper done jointly with the IMF and the World Bank, are the pertinent documents describing the basic strategy. Government's approach is designed to stabilize the economy and establish the foundation for resumed economic growth despite the difficult external environment. The basic macroeconomic objectives of the strategy include: a) raising the rate of real GDP growth from 1.6% in 1988 (target already exceeded) to 4% in 1989, 4.3% in 1990, and 4.9% by 1992; and b) restoring fiscal discipline consistent with balance of payments targets and reducing the annual rate of inflation from 26% in 1987 to about 5% by 1991. To accomplish this the Government will approach structural reform and financial stabilization by reducing the fiscal deficit, using strict monetary and credit policies, and exchange rate adjustment. These policies are expected to bring aggregate demand into line with available resources. Related supply side measures will increase the flow of foreign exchange to the private sector, liberalize trade, redirect credit away from the public sector, and bring about tax reform. All of these actions should stimulate the private sector.

A sectoral strategy is also part of the medium-term development program. It provides for new investments and policy reforms in the key productive sectors to increase output. This sectoral growth strategy is grounded in increased private sector activity, improved efficiency in public sector resource management, and a greater role for market forces in resource allocation. In agriculture - Malawi's major source of growth and export earnings - there will be emphasis on more intensive and productive use of resources and greater crop diversification to help offset growing land pressures and the country's vulnerability to world price fluctuations for its narrow export base. Continuing reform and efforts at privatization of ADMARC, as well as expanding the scope of the private sector in crop marketing, will contribute to agricultural reform. For the transport sector

regional problems have disrupted Malawi's traditional external routes and resulted in increased transport costs and reduced reliability in the flow of exports and imports. Development of the Northern Corridor, with the assistance of donors, should improve the transport situation.

In industry Government has set out to revive production and investment by better use of incentives for domestic and foreign investment. It will stimulate efficiency through competition introduced into the economy by eliminating quantitative restrictions and allowing in imports, and increasing the flow of credit to small-scale industry. In education Government will emphasize the expansion and improvement of primary education, enhancing scientific and technical skills and improving teacher training. Population growth and health services will be addressed by better staffing of primary health education care facilities and increased allocation of resources for maternal and child care services. Nutrition will be addressed through a food security monitoring and reporting system which will be in place by the end of 1988. Smallholder farms, on which the bulk of rural households live below subsistence levels, will benefit by increased emphasis on research and extension programs.

In general, the Government's medium-term development strategy is comprehensive, integrated, and responsive to the need for liberalization of the economy. It assigns a larger role to the private sector, market pricing mechanisms and incentives. The program reinforces macroeconomic stabilization strategies initiated under an IMF stand-by arrangement. Its foundation is trade liberalization, associated exchange rate adjustment, fiscal deficit reduction, reform of foreign exchange allocation, and tax reform.

## 2. KEY POLICY ELEMENTS

### 2.A. Exchange Rate Management

An essential part of Malawi's Medium Term Development Strategy relates to active exchange rate management. The country pursued a flexible management of its exchange rate during the 1980s and, except for a slight appreciation in 1984 and 1985, kept the real effective exchange rate near the 1979 average level. However, adverse shifts in terms of trade, high debt servicing costs, and unbudgeted food and security-related expenditures brought about a high level of excess demand for foreign exchange starting in mid-1986. The Kwacha was devalued by 20% in February, 1987, but the effect of the depreciation was mostly offset by inflationary developments. Stringent foreign exchange rationing was therefore left in place during all of 1987. In order to restrain import demand further and stimulate export production, Government further devalued the Kwacha by 15% in January, 1988.

Government has made a commitment to pursue a flexible exchange rate policy, the aim being to maintain external competitiveness, encourage exports, and achieve balance of payments objectives. To do this Government has agreed to maintain the exchange rate such that it remains consistent with trade liberalization, tariff rationalization, and external resource availability. The World Bank will monitor the real effective exchange rate to ensure that it is consistent with the trade reform program it is supporting through its Industrial and Trade Policy Adjustment Credit. The IMF will have primary responsibility for negotiating exchange rate adjustments under the stand-by arrangement and an Enhanced Structural Adjustment Facility.2.B. Import Administration

Liberalization of the trade regime is the centerpiece of Malawi's industry and trade adjustment program. The industrial sector historically developed efficiently because it grew in a relatively free-trade environment with price signals which encouraged efficient resource allocation and adequate resource mobilization. The period since 1980, but especially since 1986, has witnessed a contrary set of policy responses as Malawi reacted to exogenous shocks by closing the economy and cutting away from market clearing price signals. The role of imports in Malawi's economy is crucial since the country cannot support efficient production of all industrial goods. Imports thus complement domestic production, allow specialization, and introduce an element of competition into local monopolies. Thus the closing of the economy has encouraged excessive product diversification, inefficient import substitution, and monopolistic pricing. To move away from these distortions Malawi intends to abandon discretionary foreign exchange allocation and to lower import tariffs.

Government intends to phase out administered foreign exchange allocation and move back to a market-determined system which would allow importers to obtain foreign exchange on request. Given the existing external imbalances and low level of foreign exchange reserves, Malawi has spread the liberalization of its foreign exchange allocation system over a three year period. In the first stage, introduced in February, 1988, a range of import items comprising aproximately 25% of the total import bill was freed of prior foreign exchange allocation approval, including such key items as fertilizer, petroleum and 25% of raw materials and spare parts. In the second stage, some 30% of the import bill will be similarly liberalized, so that it will include 75% of raw materials and spare parts. In the third stage the remaining raw materials and spare parts will be liberalized, followed by most intermediate and capital goods. By this stage approximately 75% of the total import bill will have been freed of administrative rationing. Government further plans eventually to liberalize remaining imports, mostly consumer goods, as medium-term economic performance allows.. In consultation with the IMF and the World Bank, Government will review resource availability and adjust liberalization of imports and resources so that they support each other.

Along with elimination of prior Reserve Bank exchange approval for imports, Government intends to liberalize import licensing. This will be done by expanding the Open General License (OGL) System. Currently about 85% of the total import bill is subject to OGL, with 34 specific categories of goods and all goods from certain countries subject to import licenses from the Ministry of Trade, Industry and Tourism. Government is eliminating this import licensing requirement from 8 categories of goods and 22 countries of origin. The few remaining licensing requirements pertain primarily to issues of public health, safety, or security.

## 2.C. Export Policies

Additional generation of foreign exchange through exports is essential to the longer-term viability of Malawi's liberalization strategy. While initial donor assistance in resource flows will supplement current foreign exchange resources, such exceptional balance of payments financing will not be available beyond the adjustment period. Growth of the economy in the future thus rests on expansion and diversification of Malawi's export base. To assure that this happens Government has adopted a new strategy to enhance the competitiveness of Malawi's exports in world markets and encourage non-traditional export activity.

The flexible foreign exchange rate policy described above is by far the most important component of such a strategy, since it assures that successful exporters are rewarded appropriately in domestic Kwacha terms, at the scarcity value of the foreign exchange they earn. This removes the anti-export bias inherent in an overvalued currency, which rewards those who can import at artificially low costs of foreign exchange and punishes exporters by paying them less in domestic currency terms than their foreign exchange is worth.

Government is also committed to streamlining administrative procedures for exporters. Currently the Ministry of Trade, Industry and Tourism subjects 20 goods to licensing, including tea and tobacco which are the two largest export earners. Such licensing has been based upon the rationale of either quality control, national food security, or environmental protection. Government is committed to eliminating these licensing requirements for almost all export goods which are not needed for food security. Plans exist for a World Bank Agriculture Sector Credit during 1990 which will assist in developing simplified mechanisms for ensuring export quality control, thus reducing the role for export licensing further.

Fiscal incentives to exporters are also being increased as part of Malawi's tax reform program. Exporters are currently eligible for import duty drawbacks on imported inputs used in export production. The mechanism has been cumbersome and difficult to operate. Exporters have in actuality received back, in

aggregate terms, less than 2% of total import duties in 1985 and those which did receive rebates were subjected to very long delays. Government is introducing a simplified drawback scheme which will eliminate physical content requirement, expand eligibility criteria, and provide uniform rebate rates by sector of production. An income tax allowance is another incentive being introduced for exporters. All registered exporters will receive back an income tax allowance of 4% of their taxable income derived from export sales.

A Foreign Exchange Revolving Fund has been established by Government to assure that exporters have adequate access to foreign exchange for their import requirements during the initial stages of the liberalization program. The purpose of the Fund is to make foreign exchange readily available to eligible exporters to import raw materials, intermediate goods and packaging goods to meet export orders. An Export Promotion Council of Malawi, established by the Export Promotion Council Act, will also offer other help and technical assistance to exporters.

## 2.D. Industrial Policies

An Industrial Development Act allows Government to control investment in the industrial sector. Investors are required to obtain an industrial license before making any investment in the manufacturing sector. This mechanism grants Government the power to hinder competition with existing producers, a power which has not typically been used. The law also includes a provision whereby certain producers may be granted exclusive monopoly rights for a period of five years. Again this power has rarely been used, but it acts as a potential deterrent to investors. As part of the liberalization of Malawi's economy, Government has agreed to revise the Industrial Development Act to eliminate the exclusive monopoly rights clause and strengthen domestic competition.

## 2.E. Price Regulation

Government previously decontrolled prices on more than 50 goods as part of its program to improve the efficiency of resource allocation and the structure of incentives, with the support of World Bank loans SAL II and SAL III. Price controls remain on 5 critical or politically sensitive goods: low-grade meat, fertilizer, fuel, sugar, and vehicle spare parts. As part of the Government's liberalization efforts there will be a de-control of the price of low-grade meat and possibly automobile spare parts. Government will adjust domestic prices of petroleum products periodically to implement a full pass-through of import and domestic distribution costs. Fertilizer and sugar prices will be reviewed under the up-coming Agriculture Sector Credit starting in 1990.

## 2.F. Fiscal Policies

Achievement of the broad program of liberalization undertaken by Malawi requires stringent controls of Government expenditures and attention to raising tax revenues. Without such measures, trade and industry liberalization are threatened by inflationary pressures, excessive demand for imports, and undue pressures on the exchange rate. Government's goal is to reduce the fiscal deficit to a level that can be financed while leaving domestic credit robust for investment. According to the Reserve Bank of Malawi's mid-1988 Report, these efforts are succeeding; the overall deficit as a proportion of GDP has fallen from 9.0% in 1986/7 to 7.1% in 1987/8 (below original projections) and is estimated at 4.5% for 1988/9. Taxes are relatively high in Malawi (the tax revenue to GDP ratio is near 20% and higher for the modern sector) so that most deficit reduction must fall upon expenditure adjustment (with Government expenditures to GDP projected to decrease from 28.4% in 1987/88 to 26.3% in 1990/91). During the same time period the revenue to GDP ratio will remain relatively constant, at about 18.7% of GDP.

The fiscal balance will be monitored by the IMF under terms of the stand-by arrangement and the proposed Enhanced Structural Adjustment Facility (ESAF). A balance will have to be continually drawn between expenditure targets on the one hand and resource flows from tax revenue and available foreign concessional inflows on the other hand. To tighten expenditures institutional measures will be developed to strengthen preparation of budgets for key development sectors and improved information flows will allow for tighter expenditure control. Among other reforms there will be a rolling three-year public sector investment program.

A comprehensive reform of the tax system will also be undertaken to improve its equity and efficiency. Between 1966 and 1981 Malawi raised its tax collection ratio from 8.6% of GDP to 15.4%, approaching tax levels as a proportion of GDP found in countries with per capita incomes 3 to 4 times higher than Malawi's income level. A large share of the increase in tax generation came from higher burdens placed on international trade taxes, which rose from 35% of total tax revenue in the early 1970s to 46% in the early 1980s. The average tariff rate on private sector imports increased from 12% in 1975 to 32% in 1986. This stimulates import substitution while acting as a disincentive to exports. There are also weak investment incentives in the corporate income tax, a cumbersome system of domestic surtax exemption, inefficient tax administration, and some tax leakages from the system.

Based upon work done under a 1985 World Bank report: "Tax Policy in Malawi," as well as several tax consultant missions from the Harvard Institute for International Development, Government has developed a package of tax reforms to be implemented during the period 1988-90. These reforms will shift the burden of taxation to domestic transactions and away from international

trade, as well as to consumption and away from production. Of special relevance to the trade and industry sector, commodity taxation will be moved away from the present system of import duties, levy, surtax and excise tax and towards a flat basic rate of taxation on all imports and domestically manufactured goods. This tax will be collected at the point of importation or ex factory. Exports will be exempt under this proposed system.

## 2.G. Financial Sector Policies

Government has agreed with the IMF to pursue a tight monetary and credit policy. This is intended to strengthen the balance of payments, reduce domestic inflation (from approximately 35% in the first quarter of 1988 to a target of 5% in 1991), and to provide the private sector with sufficient resources to finance expansion requirements. Under the present system there are no administrative controls which direct credit within the economy and interest rates are market-determined. Government will set credit ceilings consistent with IMF targets. In the institutional realm Government has agreed to update and strengthen the financial system's legal framework and Government supervision of financial institutions. It has also agreed to improve mobilization of domestic long-term funds and make credit more readily available to small-scale industry.

## 2.H. Other Policies

Associated with the above reforms affecting the trade and industry sector, Government has undertaken to stimulate off-farm small-scale industry. Such economic activity has been limited in its development by lack of access to financing for working capital and limited entrepreneurial experience. The current level of small-scale (fewer than 20 workers) industrial establishments stands at 156 registered firms employing a total of 1,370 people. Government intends to strengthen existing financial and technical assistance institutions to small-scale industry and channel more credit to the sector. Donor assistance is available to assist in this undertaking. While such firms are not likely to develop as exporters immediately, stimulation of small-scale private enterprises will improve employment prospects and serve as a training ground for skills and entrepreneurial talent. Once stimulated, there is considerable room for this sector to develop niches in the export sector as well as in production of efficient domestic inputs to production for export.

DEVELOPMENT INDICATORS FOR MALAWI
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | Local currency | 39.6 | 45.0 | 45.2 | 48.7 | 65.7 |
| Current prices Private Consumption, etc. | Local currency | 176.3 | 236.9 | 249.6 | 270.0 | 330.2 |
| Current prices Domestic Absorption | Local currency | 278.2 | 340.1 | 377.2 | 400.2 | 512.0 |
| Current prices Exports of Goods & NF Services | Local currency | 58.7 | 71.2 | 75.8 | 100.6 | 129.2 |
| Current prices GDP at Factor Cost | Local currency | 285.6 | 282.2 | 303.3 | 340.8 | 433.3 |
| Current prices Gross Domestic Product | Local currency | 242.1 | 303.6 | 325.5 | 364.0 | 461.5 |
| Current prices Gross Domestic Savings | Local currency | 26.2 | 21.7 | 31.7 | 45.3 | 75.6 |
| Current prices Gross National Product | Local currency | 276.1 | 300.3 | 321.8 | 364.8 | 473.9 |
| Current prices Gross National Savings | Local currency | 27.8 | 25.2 | 35.0 | 55.5 | 84.8 |
| Current prices Imports of Goods & NF Services | Local currency | 94.8 | 107.7 | 123.5 | 136.8 | 179.9 |
| Current prices Fixed Investment | Local currency | 0.0 | 0.0 | 0.0 | 74.7 | 87.3 |
| Current prices Gross Domestic Investment | Local currency | 62.3 | 58.2 | 79.4 | 81.5 | 123.1 |
| Current prices Net Factor Income (+) or Payments | Local currency | (6.4) | (3.0) | (3.7) | 0.8 | 12.4 |
| Current prices Indirect Taxes Net of Subsidies | Local currency | 16.5 | 21.4 | 22.2 | 23.2 | 28.2 |
| Current prices Resource Balance | Local currency | (36.1) | (36.5) | (47.7) | (36.2) | (50.5) |
| Current prices Value Added in Agriculture | Local currency | 99.2 | 125.1 | 138.4 | 141.7 | 178.4 |
| Current prices Value Added in Industry | Local currency | 39.4 | 44.6 | 52.9 | 57.3 | 77.9 |
| Current prices Value Added in Manufacturing | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Services, etc. | Local currency | 87.0 | 113.5 | 112.1 | 141.8 | 181.0 |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | Local currency | 0.0 | 24.9 | (20.0) | (20.6) | (29.5) |
| Government Capital Payments | Local currency | 0.0 | 24.1 | 16.5 | 25.2 | 35.0 |
| Government Capital Receipts | Local currency | 0.0 | 0.2 | 0.2 | 0.3 | 0.3 |
| Government Current Budget Balance | Local currency | 0.0 | (1.0) | (1.8) | 4.3 | 5.2 |
| Government Current Expenditure | Local currency | 0.0 | 52.0 | 56.9 | 57.9 | 67.4 |
| Government Current Revenue | Local currency | 0.0 | 51.0 | 55.0 | 62.2 | 72.6 |
| MONEY | | | | | | |
| Money Supply, Broadly Defined | Local currency | 56.0 | 66.9 | 74.3 | 96.8 | 133.4 |
| Money as Means of Payment | Local currency | 32.7 | 38.8 | 40.6 | 55.1 | 72.4 |
| Quasi-Monetary Liabilities | Local currency | 23.3 | 28.1 | 33.7 | 41.7 | 60.0 |
| Currency Outside Banks | Local currency | 13.3 | 14.8 | 17.2 | 21.2 | 29.2 |
| Demand Deposits | Local currency | 19.4 | 24.0 | 23.3 | 33.8 | 45.1 |
| TRADE | | | | | | |
| Current prices Exports of Manufactures | US $ | 6.7 | 5.6 | 6.1 | 7.4 | 11.3 |
| Current prices Exports of Nonfuel Primary Products | US $ | 50.8 | 65.0 | 72.2 | 89.7 | 118.3 |
| Current prices Value of Exports | US $ | 59.2 | 72.1 | 80.6 | 99.3 | 129.7 |
| Current prices Imports of Fuels | US $ | 4.7 | 10.2 | 11.6 | 12.7 | 19.5 |
| Current prices Imports of Manufactures | US $ | 82.5 | 83.6 | 99.8 | 105.0 | 139.7 |
| Current prices Imports of Nonfuel Primary Products | US $ | 17.4 | 15.9 | 15.8 | 24.4 | 28.4 |
| Current prices Value of Imports, cif | US $ | 65.6 | 109.0 | 130.0 | 142.2 | 187.6 |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | US $, as per IBRD DRS | 3.5 | 3.9 | 4.2 | 6.1 | 7.3 |
| Disbursements of Long-Term Loans | US $, as per IBRD DRS | 39.6 | 26.4 | 34.6 | 32.7 | 33.1 |
| Net Long-Term Loans | US $, as per IBRD DRS | 36.7 | 24.8 | 30.3 | 27.8 | 25.4 |
| Repayments on Long-Term Loans | US $, as per IBRD DRS | 2.9 | 3.6 | 4.3 | 4.9 | 8.7 |
| Identified Short-Term Debt | US $, end of year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public/Publicly Guar. Long-Term Debt | US $, IBRD DRS - end of y | 122.3 | 140.2 | 164.5 | 201.8 | 229.6 |
| Public Long Term Debt, IBRD & IDA | US $, IBRD DRS - end of y | 16.9 | 24.2 | 34.2 | 42.8 | 50.2 |
| Public Long Term Debt, Official Creditors | US $, IBRD DRS - end of y | 100.6 | 120.0 | 141.5 | 174.7 | 201.5 |
| Public Long Term Debt, Private Creditors | US $, IBRD DRS - end of y | 21.7 | 20.8 | 23.0 | 27.1 | 28.1 |
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | US $, BoP | 9.1 | 8.1 | 8.7 | 11.4 | 8.1 |
| Merchandise Exports, fob | US $, BoP | 58.9 | 71.7 | 78.6 | 97.9 | 119.3 |
| Exports of Goods & Services | US $, BoP | 82.3 | 100.8 | 111.8 | 145.7 | 185.1 |
| Non-Factor Services Receipts | US $, BoP | 11.5 | 13.9 | 15.0 | 22.3 | 28.3 |

DEVELOPMENT INDICATORS FOR MALAWI
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | | | |
| Current prices General Government Consumption | 74.7 | 86.3 | 98.6 | 134.2 | 164.2 | 192.3 | 199.2 | 219.1 |
| Current prices Private Consumption, etc. | 365.2 | 416.6 | 482.4 | 502.2 | 577.0 | 714.7 | 773.5 | 835.8 |
| Current prices Domestic Absorption | 618.5 | 663.6 | 761.7 | 944.2 | 1,002.6 | 1,155.7 | 1,168.0 | 1,321.5 |
| Current prices Exports of Goods & NF Services | 154.3 | 186.3 | 218.4 | 185.7 | 209.7 | 269.7 | 284.4 | 280.2 |
| Current prices GDP at Factor Cost | 494.7 | 576.3 | 683.9 | 742.5 | 757.8 | 911.4 | 996.0 | 1,106.3 |
| Current prices Gross Domestic Product | 529.7 | 612.0 | 728.0 | 800.7 | 831.9 | 1,014.9 | 1,103.8 | 1,242.4 |
| Current prices Gross Domestic Savings | 89.8 | 109.1 | 146.0 | 154.3 | 90.7 | 107.9 | 131.1 | 187.5 |
| Current prices Gross National Product | 537.7 | 594.0 | 705.3 | 796.7 | 793.1 | 933.6 | 1,029.5 | 1,168.4 |
| Current prices Gross National Savings | 105.9 | 115.9 | 146.0 | 199.5 | 99.8 | 37.4 | 68.6 | 127.0 |
| Current prices Imports of Goods & NF Services | 243.1 | 287.9 | 352.1 | 329.2 | 386.4 | 410.5 | 348.6 | 359.3 |
| Current prices Fixed Investment | 131.8 | 135.3 | 161.6 | 247.1 | 231.9 | 223.1 | 167.8 | 181.7 |
| Current prices Gross Domestic Investment | 178.6 | 160.7 | 179.7 | 207.8 | 261.4 | 249.7 | 195.3 | 266.6 |
| Current prices Net Factor Income (+) or Payments | 8.0 | (18.0) | (23.0) | (4.0) | (34.8) | (81.3) | (74.3) | (74.0) |
| Current prices Indirect Taxes Net of Subsidies | 35.0 | 33.7 | 44.1 | 58.2 | 74.1 | 103.5 | 107.8 | 116.1 |
| Current prices Resource Balance | (88.8) | (51.6) | (33.7) | (143.5) | (170.7) | (140.8) | (64.2) | (79.1) |
| Current prices Value Added in Agriculture | 193.7 | 233.1 | 293.0 | 294.9 | 299.6 | 318.8 | 345.2 | 405.0 |
| Current prices Value Added in Industry | 91.3 | 105.1 | 117.5 | 142.5 | 142.4 | 162.0 | 186.1 | 202.4 |
| Current prices Value Added in Manufacturing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Services, etc. | 209.7 | 242.1 | 272.4 | 304.1 | 315.8 | 430.6 | 464.7 | 517.9 |
| GOVERNMENT | | | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (48.5) | (37.6) | (45.2) | (74.3) | (75.5) | (160.3) | (137.7) | (95.0) |
| Government Capital Payments | 63.3 | 50.5 | 72.0 | 104.6 | 138.2 | 215.5 | 131.4 | 110.6 |
| Government Capital Receipts | 0.3 | 0.2 | 0.3 | 0.3 | 0.4 | 0.6 | 0.4 | 0.1 |
| Government Current Budget Balance | 14.4 | 12.9 | 27.5 | 29.9 | 62.3 | 54.6 | (6.7) | 15.4 |
| Government Current Expenditure | 79.0 | 84.5 | 97.7 | 139.1 | 148.9 | 190.9 | 263.9 | 256.2 |
| Government Current Revenue | 93.4 | 97.4 | 125.2 | 169.0 | 211.2 | 235.5 | 257.2 | 271.6 |
| MONEY | | | | | | | | |
| Money Supply, Broadly Defined | 139.1 | 137.4 | 176.2 | 196.2 | 192.9 | 219.0 | 273.2 | 317.4 |
| Money as Means of Payment | 73.6 | 72.8 | 100.1 | 93.8 | 90.6 | 97.2 | 114.8 | 130.8 |
| Quasi-Monetary Liabilities | 65.5 | 64.6 | 76.1 | 96.4 | 102.3 | 121.8 | 158.5 | 186.6 |
| Currency Outside Banks | 27.8 | 23.1 | 24.6 | 29.8 | 32.3 | 35.3 | 39.4 | 49.5 |
| Demand Deposits | 45.8 | 49.7 | 75.5 | 64.0 | 58.3 | 61.9 | 75.4 | 81.3 |
| TRADE | | | | | | | | |
| Current prices Exports of Manufactures | 17.3 | 11.6 | 14.4 | 14.1 | 14.6 | 31.3 | 31.2 | 26.6 |
| Current prices Exports of Nonfuel Primary Products | 121.7 | 153.8 | 185.5 | 171.1 | 208.1 | 253.3 | 242.5 | 219.2 |
| Current prices Value of Exports | 139.1 | 165.6 | 200.0 | 185.3 | 222.8 | 285.2 | 273.9 | 246.0 |
| Current prices Imports of Fuels | 24.9 | 27.8 | 30.2 | 40.2 | 58.0 | 67.5 | 59.3 | 50.9 |
| Current prices Imports of Manufactures | 196.0 | 151.7 | 177.7 | 274.5 | 306.1 | 339.1 | 244.9 | 222.6 |
| Current prices Imports of Nonfuel Primary Products | 29.6 | 26.1 | 24.4 | 23.5 | 33.6 | 43.7 | 46.0 | 37.4 |
| Current prices Value of Imports, cif | 250.5 | 205.6 | 232.4 | 338.2 | 397.6 | 440.2 | 350.1 | 311.0 |
| LOANS AND DEBT | | | | | | | | |
| Long-Term Interest Payments | 8.4 | 8.9 | 7.1 | 16.6 | 24.1 | 34.5 | 49.4 | 32.6 |
| Disbursements of Long-Term Loans | 60.5 | 57.8 | 99.7 | 135.6 | 123.0 | 158.3 | 122.8 | 73.2 |
| Net Long-Term Loans | 51.9 | 48.8 | 85.3 | 115.7 | 103.4 | 125.2 | 83.7 | 43.0 |
| Repayments on Long-Term Loans | 8.6 | 9.0 | 14.4 | 19.9 | 19.6 | 33.1 | 39.1 | 30.2 |
| Identified Short-Term Debt | 0.0 | 0.0 | 69.0 | 75.0 | 115.0 | 111.0 | 50.0 | 85.0 |
| Public/Publicly Guar. Long-Term Debt | 257.2 | 294.9 | 368.8 | 503.9 | 510.2 | 643.7 | 674.8 | 703.8 |
| Public Long Term Debt, IBRD & IDA | 61.7 | 73.7 | 86.9 | 107.4 | 134.1 | 156.0 | 202.9 | 249.0 |
| Public Long Term Debt, Official Creditors | 223.9 | 243.2 | 283.2 | 365.2 | 337.8 | 450.1 | 484.4 | 539.8 |

DEVELOPMENT INDICATORS FOR MALAWI
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| NATIONAL INCOME | | | | |
| Current prices General Government Consumption | 236.3 | 258.1 | 346.3 | 401.1 |
| Current prices Private Consumption, etc. | 979.9 | 1,156.4 | 1,439.5 | 1,[illegible].7 |
| Current prices Domestic Absorption | 1,[illegible].8 | 1,[illegible].[illegible] | 2,117.5 | 2,339.4 |
| Current prices Exports of Goods & NF Services | 298.2 | 479.6 | 475.0 | 491.3 |
| Current prices GDP at Factor Cost | 1,[illegible].3 | 1,[illegible].[illegible] | 1,[illegible].3 | 2,[illegible].7 |
| Current prices Gross Domestic Product | 1,424.9 | 1,688.3 | 2,024.3 | 2,[illegible].1 |
| Current prices Gross Domestic Savings | 216.7 | [illegible].[illegible] | [illegible].[illegible] | [illegible].[illegible] |
| Current prices Gross National Product | 1,[illegible].4 | 1,[illegible].1 | 1,[illegible].4 | 2,153.1 |
| Current prices Gross National Savings | 154.1 | [illegible].6 | [illegible].[illegible] | [illegible].[illegible] |
| Current prices Imports of Goods & NF Services | 407.1 | 433.6 | 568.2 | 555.6 |
| Current prices Fixed Investment | 197.3 | [illegible].[illegible] | [illegible].[illegible] | [illegible].[illegible] |
| Current prices Gross Domestic Investment | 327.6 | 234.8 | [illegible].7 | [illegible].6 |
| Current prices Net Factor Income (+) or Payments | (75.5) | ([illegible].[illegible]) | ([illegible].9) | (122.6) |
| Current prices Indirect Taxes Net of Subsidies | [illegible].6 | 178.1 | 216.0 | 227.4 |
| Current prices Resource Balance | (106.9) | 45.0 | (93.2) | (64.[illegible] |
| Current prices Value Added in Agriculture | 469.6 | 572.8 | 663.5 | [illegible].[illegible] |
| Current prices Value Added in Industry | 235.5 | 278.4 | 335.[illegible] | 376.4 |
| Current prices Value Added in Manufacturing | 0.0 | 0.0 | 217.1 | 247.7 |
| Current prices Value Added in Services, etc. | 590.2 | 659.6 | 809.1 | [illegible]12.6 |
| GOVERNMENT | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (101.8) | ([illegible].[illegible]) | (162.6) | [illegible].[illegible] |
| Government Capital Payments | 119.[illegible] | 148.[illegible] | 201.4 | [illegible].0 |
| Government Capital Receipts | 0.2 | 0.4 | 0.4 | [illegible].[illegible] |
| Government Current Budget Balance | [illegible].[illegible] | 66.2 | 38.4 | 0.0 |
| Government Current Expenditure | 292.4 | 320.2 | 422.5 | 0.0 |
| Government Current Revenue | [illegible].[illegible] | [illegible].[illegible] | [illegible].[illegible] | [illegible].0 |
| MONEY | | | | |
| Money Supply, Broadly Defined | 348.0 | 452.6 | 448.1 | 551.[illegible] |
| Money as Means of Payment | 127.8 | 154.2 | 166.9 | 220.8 |
| Quasi-Monetary Liabilities | 220.2 | 298.4 | 282.2 | [illegible].1 |
| Currency Outside Banks | 50.0 | 56.8 | 66.0 | 79.2 |
| Demand Deposits | 77.7 | [illegible].4 | 100.9 | 141.5 |
| TRADE | | | | |
| Current prices Exports of Manufactures | 25.1 | 35.0 | 33.5 | 39.1 |
| Current prices Exports of Nonfuel Primary Products | 203.7 | 279.1 | 216.2 | 203.4 |
| Current prices Value of Exports | 228.[illegible] | 314.4 | 250.1 | 242.7 |
| Current prices Imports of Fuels | 51.0 | 41.9 | 39.8 | 15.9 |
| Current prices Imports of Manufactures | [illegible].6 | [illegible].[illegible] | [illegible].5 | [illegible].1 |
| Current prices Imports of Nonfuel Primary Products | 37.5 | 35.1 | 28.4 | 24.4 |
| Current prices Value of Imports, cif | 311.[illegible] | [illegible].[illegible] | [illegible].7 | [illegible].4 |
| LOANS AND DEBT | | | | |
| Long-Term Interest Payments | 31.5 | [illegible].[illegible] | 30.2 | 36.1 |
| Disbursements of Long-Term Loans | 64.8 | 111.5 | 66.8 | 118.8 |
| Net Long-Term Loans | 36.9 | 69.5 | 14.6 | 46.7 |
| Repayments on Long-Term Loans | 27.9 | 42.[illegible] | 52.2 | 72.1 |
| Identified Short-Term Debt | 72.0 | 42.0 | 79.[illegible] | 80.0 |
| Public Publicly Guar. Long-Term Debt | 712.9 | 740.3 | 804.2 | 909.7 |
| Public Long Term Debt, IBRD & IDA | 277.2 | 34[illegible].[illegible] | 390.4 | 491.5 |
| Public Long Term Debt, Official Creditors | 571.3 | 609.5 | 706.1 | 845.4 |

DEVELOPMENT INDICATORS FOR MALAWI
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| Factor Service Receipts | US $, BoP | 11.9 | 15.1 | 17.3 | 25.5 | 33.5 |
| Factor Service Payments | US $, BoP | 12.4 | 12.4 | 15.5 | 16.1 | 16.5 |
| Merchandise Imports, fob | US $, BoP | 82.8 | 93.1 | 111.5 | 123.4 | 166.1 |
| Imports of Goods & Services | US $, BoP | 126.2 | 142.0 | 169.6 | 184.9 | 228.9 |
| Non-Factor Services Payments | US $, BoP | 31.0 | 36.5 | 42.6 | 45.4 | 46.1 |
| Increase (-) in Reserves | US $, BoP | (6.3) | 1.4 | (2.5) | (34.0) | (14.5) |
| Other Net Long-Term Inflows | US $, BoP | (9.8) | (2.3) | (2.3) | 13.0 | 21.4 |
| Current Account Balance | US $, BoP | (34.8) | (33.1) | (49.1) | (27.8) | (35.7) |
| Net Foreign Direct Investment | US $, BoP | 5.6 | 5.6 | 10.1 | 7.7 | 22.7 |
| Net Long-Term Capital Inflow | US $, BoP | 35.5 | 32.1 | 38.1 | 48.5 | 69.5 |
| Other Net Capital Inflows | US $, BoP | 5.1 | (6.4) | 13.5 | 13.3 | (19.7) |
| INDICIES | | | | | | |
| Terms of Trade Index | US dollar-based | 125.6 | 140.0 | 128.7 | 124.2 | 112.5 |
| Constant price Exports, fob | 1980 US $ | 186.4 | 212.1 | 230.8 | 231.5 | 192.8 |
| Constant price Imports, cif | 1980 US $ | 335.1 | 449.0 | 479.1 | 411.6 | 337.1 |
| Domestic Absorption Deflator | 1980=100 | 37.0 | 40.3 | 41.7 | 45.8 | 55.5 |
| GDP Deflator | 1980=100 | 44.1 | 47.5 | 48.1 | 52.2 | 61.6 |
| Agricultural Value Added Deflator | 1980=100 | 47.4 | 51.2 | 51.7 | 56.4 | 69.6 |
| Industrial Value Added Deflator | 1980=100 | 42.3 | 46.6 | 47.0 | 51.5 | 61.7 |
| Manufacturing Real Output per Employee | 1980=100 | 120.7 | 123.3 | 120.6 | 125.9 | 121.1 |
| Manufacturing Real Earnings per Employee | 1980=100 | 102.8 | 104.2 | 100.8 | 99.6 | 102.7 |
| Fuel Export Price Index | 1980=100, US dollar-based | 4.3 | 5.6 | 6.2 | 8.9 | 36.7 |
| Manufactures Export Price Index | 1980=100, US dollar-based | 37.5 | 36.5 | 38.5 | 49.5 | 67.2 |
| Nonfuel Primary Products Export Price Index | 1980=100, US dollar-based | 35.6 | 38.4 | 40.2 | 46.8 | 62.5 |
| Export Price Index, fob | 1980=100, US dollar-based | 31.7 | 34.0 | 34.9 | 42.9 | 62.6 |
| Import Price Index, cif | 1980=100, US dollar-based | 25.3 | 24.3 | 27.1 | 34.5 | 55.7 |
| Conversion Factor, Annual Average | Local currency per U.S. d | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |

DEVELOPMENT INDICATORS FOR MALAWI
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| Public Long Term Debt, Private Creditors | 33.3 | 51.7 | 85.6 | [illegible] | 172.4 | 193.6 | 190.4 | 164.0 |
| BALANCE OF PAYMENTS | | | | | | | | |
| Net Current Transfers | 9.3 | 27.1 | 25.5 | 46.4 | 53.7 | 13.3 | 13.1 | 12.8 |
| Merchandise Exports, fob | 138.7 | 165.3 | 199.8 | 184.5 | 222.5 | 280.7 | 272.7 | 239.7 |
| Exports of Goods & Services | 212.6 | 196.2 | 0.0 | 208.1 | 254.0 | 309.4 | 310.0 | 269.2 |
| Non-Factor Services Receipts | 35.3 | 23.4 | 13.3 | 22.4 | 30.2 | 26.4 | 36.0 | 27.9 |
| Factor Service Receipts | 38.6 | 7.4 | 0.0 | 1.1 | 1.3 | 2.2 | 1.3 | 1.5 |
| Factor Service Payments | 17.4 | 17.2 | 0.0 | 49.4 | 127.1 | 151.4 | 131.5 | 93.0 |
| Merchandise Imports, fob | 225.0 | 182.6 | 183.0 | 263.9 | 317.6 | 338.9 | 299.6 | 272.0 |
| Imports of Goods & Services | 301.5 | [illegible] | [illegible] | 416.4 | 562.9 | 626.9 | 513.6 | 430.1 |
| Non-Factor Services Payments | 59.3 | 66.2 | 117.5 | 103.0 | 118.2 | 136.7 | 82.5 | 65.1 |
| Increase (-) in Reserves | 18.5 | 36.1 | (51.5) | 13.7 | 36.4 | 28.5 | 47.5 | 17.6 |
| Other Net Long-Term Inflows | (3.3) | (11.7) | (31.2) | (22.8) | 2.4 | 51.2 | (33.5) | (33.6) |
| Current Account Balance | (79.6) | (42.7) | (61.8) | (162.0) | (255.3) | (304.0) | (190.5) | (148.1) |
| Net Foreign Direct Investment | 8.6 | 9.7 | 5.5 | 9.1 | (1.2) | 9.5 | 1.1 | 0.0 |
| Net Long-Term Capital Inflow | 57.2 | 46.8 | 59.5 | 102.0 | 104.7 | 236.0 | 97.6 | 45.7 |
| Other Net Capital Inflows | 4.0 | (40.1) | 53.7 | 46.3 | 114.2 | 39.6 | 45.4 | 84.9 |
| INDICIES | | | | | | | | |
| Terms of Trade Index | 118.1 | 109.8 | 118.4 | 104.9 | 103.6 | 100.0 | 93.9 | 93.2 |
| Constant price Exports, fob | 197.3 | 253.8 | 260.9 | 244.0 | 253.0 | 285.2 | 283.5 | 265.5 |
| Constant price Imports, cif | 419.6 | 346.0 | 358.8 | 467.4 | 467.7 | 440.2 | 340.2 | 312.9 |
| Domestic Absorption Deflator | 61.5 | 68.5 | 75.1 | 77.9 | 86.0 | 100.0 | 111.3 | 122.3 |
| GDP Deflator | 66.7 | 73.4 | 83.6 | 83.6 | 82.5 | 100.0 | 115.9 | 127.3 |
| Agricultural Value Added Deflator | 74.9 | 80.6 | 92.6 | 89.1 | 87.7 | 100.0 | 117.9 | 129.9 |
| Industrial Value Added Deflator | 64.7 | 75.6 | 79.2 | 89.2 | 88.0 | 100.0 | 116.7 | 127.3 |
| Manufacturing Real Output per Employee | 138.3 | 0.0 | 0.0 | 0.0 | [illegible] | [illegible] | 110.6 | 102.5 |
| Manufacturing Real Earnings per Employee | 97.3 | 0.0 | 0.0 | 0.0 | 111.9 | 100.0 | 110.0 | 109.1 |
| Fuel Export Price Index | 35.7 | 38.4 | 42.0 | 42.3 | 61.0 | [illegible] | 112.5 | 101.6 |
| Manufactures Export Price Index | 66.1 | 66.7 | 71.7 | 76.1 | 90.0 | 100.0 | 99.1 | 94.8 |
| Nonfuel Primary Products Export Price Index | 71.3 | 65.2 | 77.1 | 76.0 | 83.1 | [illegible] | 96.3 | 92.4 |
| Export Price Index, fob | 70.5 | 65.2 | 76.7 | 75.9 | 86.1 | 100.0 | 96.6 | 92.6 |
| Import Price Index, cif | 59.7 | 59.4 | 64.8 | 72.4 | 85.0 | [illegible] | 102.9 | 99.4 |
| Conversion Factor, Annual Average | 0.9 | 0.9 | 0.9 | 0.8 | 0.8 | 0.8 | 0.9 | 1.1 |

DEVELOPMENT INDICATORS FOR MALAWI
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| Public Long Term Debt, Private Creditors | 141.6 | 130.8 | 98.1 | 64.3 |
| BALANCE OF PAYMENTS | | | | |
| Net Current Transfers | 9.3 | 10.0 | 2.5 | 12.8 |
| Merchandise Exports, fob | 246.2 | 311.8 | 250.0 | 245.3 |
| Exports of Goods & Services | 276.2 | 340.8 | 279.1 | 269.8 |
| Non-Factor Services Receipts | 28.8 | 27.1 | 23.6 | 21.3 |
| Factor Service Receipts | 1.3 | 1.9 | 5.5 | 3.2 |
| Factor Service Payments | 0.1 | 0.2 | 0.1 | 66.7 |
| Merchandise Imports, fob | 241.9 | 220.9 | 197.6 | 154.1 |
| Imports of Goods & Services | 324.2 | 295.8 | 298.5 | 266.7 |
| Non-Factor Services Payments | 92.2 | 74.7 | 100.7 | 144.0 |
| Increase (-) in Reserves | 32.9 | (23.9) | 19.8 | (0.7 |
| Other Net Long-Term Inflows | (67.8) | (114.3) | 1.5 | 24.( |
| Current Account Balance | (144.1) | (116.2) | (96.0) | (84.1) |
| Net Foreign Direct Investment | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Long-Term Capital Inflow | (1.4) | (20.4) | 40.6 | 98.2 |
| Other Net Capital Inflows | 112.6 | 60.5 | 33.9 | (10.4) |
| INDICIES | | | | |
| Terms of Trade Index | 95.1 | 97.4 | 67.5 | 87.6 |
| Constant price Exports, fob | 246.7 | 342.1 | 303.8 | 278.4 |
| Constant price Imports, cif | 322.5 | 286.1 | 304.6 | 261.6 |
| Domestic Absorption Deflator | 138.7 | 154.4 | 194.9 | 219.3 |
| GDP Deflator | 141.6 | 159.8 | 181.0 | 205.7 |
| Agricultural Value Added Deflator | 144.4 | 166.8 | 191.6 | 217.5 |
| Industrial Value Added Deflator | 143.6 | 168.4 | 191.0 | 218.2 |
| Manufacturing Real Output per Employee | 92.4 | 0.0 | 0.0 | 0.0 |
| Manufacturing Real Earnings per Employee | 105.0 | 0.0 | 0.0 | 0.0 |
| Fuel E[illegible] Index | 93.5 | 90.2 | 87.5 | 45.9 |
| Manufactures Exp[illegible] Price Index | 90.7 | 89.3 | 89.0 | 103.2 |
| Nonfuel Primary Products Export Price Index | 91.9 | 93.2 | 81.4 | 84.7 |
| Export Price Index, fob | 91.7 | 91.9 | 82.3 | 87.2 |
| Import Price Index, cif | 96.4 | 94.4 | 94.1 | 99.5 |
| Conversion Factor, Annual Average | 1.2 | 1.4 | 1.7 | 1.9 |

SOCIAL INDICATORS FOR MALAWI
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LAND | | | | | | | | | | | | |
| Total land area | SQ KILOM. | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 |
| Total agricultural land | SQ KILOM. | 40 | 40 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 42 |
| Arable land | SQ KILOM. | 21 | 21 | 22 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Pasture land | SQ KILOM. | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| POPULATION | | | | | | | | | | | | |
| Total population, (interp series) | NUMBER | 4,513,001 | 4,643,001 | 4,778,001 | 4,916,001 | 5,058,001 | 5,204,001 | 5,354,001 | 5,509,351 | 5,692,861 | 5,891,601 | 6,046,001 |
| Population, female | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 2,717,835 | 2,795,618 | 2,882,481 | 2,972,331 | 3,063,361 |
| Population, male | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 2,636,167 | 2,713,324 | 2,799,521 | 2,888,671 | 2,982,441 |
| Population, age 0-14 | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 2,525,938 | 2,572,141 | 2,623,992 | 2,675,524 | 2,726,457 |
| Population, age 15-64 | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 2,680,015 | 2,766,233 | 2,868,938 | 2,953,952 | 3,056,978 |
| Population, age 65+ | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 148,049 | 170,639 | 197,072 | 227,526 | 262,575 |
| Urban population total | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 444,227 | 474,862 | 507,188 | 542,509 | 578,416 |
| Urban population as % total | PERCENT | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 9 | 9 | 9 | 10 |
| Agriculture population density | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 130,015 | 133,179 | 137,193 | 141,629 | 145,337 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 56 | 56 | 56 | 56 | 56 | 55 | 55 | 55 | 55 | 54 | 54 |
| Crude death rate (interp series) | NUMBER | 27 | 27 | 27 | 26 | 26 | 26 | 25 | 25 | 25 | 24 | 24 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 190 | 188 | 186 | 184 | 181 | 179 | 177 | 174 | 172 | 170 | 168 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Life expectancy, total | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 42 | 42 | 42 | 42 | 43 |
| Life expectancy, males (interp series) | NUMBER | 39 | 39 | 40 | 40 | 40 | 41 | 41 | 42 | 42 | 42 | 43 |
| Life expectancy, female | NUMBER | 41 | 42 | 42 | 42 | 42 | 43 | 43 | 43 | 44 | 44 | 44 |
| Total fertility rate (interp series) | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contraceptive users | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Persons per household | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, rural | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, urban | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | | | | | | |
| Number of physicians | NUMBER | 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 873 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | 6,951 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,317 | 2,422 | 2,358 | 2,469 | 2,451 | 2,465 | 2,511 | 2,520 | 2,549 | 2,478 | 2,452 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,320 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 71 | 75 | 73 | 75 | 73 | 71 | 73 | 73 | 73 | 74 | 76 |
| % Dwellings w/electricity | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | PERCENT | 0 | 0 | 0 | 0 | 5 | 5 | 33 | 5 | 5 | 5 | 0 |
| Safe water, rural | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 29 | 0 | 0 | 0 | 0 |
| Safe water, urban | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 76 | 0 | 0 | 0 | 0 |

| TITLE | UNIT | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|
| LAND | | | | | | | | |
| Total land area | SQ KILOM. | 119 | 119 | 119 | 119 | 119 | 119 | 0 |
| Total agricultural land | SQ KILOM. | 42 | 42 | 42 | 42 | 42 | 0 | 0 |
| Arable land | SQ KILOM. | 23 | 23 | 23 | 23 | 23 | 0 | 0 |
| Pasture land | SQ KILOM. | 18 | 18 | 18 | 18 | 18 | 0 | 0 |
| POPULATION | | | | | | | | |
| Total population, (interp series) | NUMBER | 6,046,001 | 6,234,001 | 6,427,801 | 6,626,001 | 6,832,001 | 7,044,001 | 7,276,001 |
| Population, female | NUMBER | 3,063,561 | 3,158,823 | 3,256,617 | 3,357,452 | 3,461,834 | 3,575,522 | 0 |
| Population, male | NUMBER | 2,982,441 | 3,075,179 | 3,170,305 | 3,268,550 | 3,370,168 | 3,468,480 | 0 |
| Population, age 0-14 | NUMBER | 2,726,457 | 2,861,687 | 3,001,556 | 3,146,541 | 3,297,141 | 3,452,736 | 0 |
| Population, age 15-64 | NUMBER | 3,056,970 | 3,108,848 | 3,161,349 | 3,214,960 | 3,270,148 | 3,326,560 | 0 |
| Population, age 65+ | NUMBER | 262,575 | 263,467 | 264,897 | 264,501 | 264,713 | 264,686 | 0 |
| Urban population total | NUMBER | 580,416 | 0 | 0 | 0 | 0 | 0 | 0 |
| Urban population as % total | PERCENT | 10 | 0 | 0 | 0 | 0 | 0 | 0 |
| Agriculture population density | NUMBER | 145,337 | 149,856 | 154,014 | 158,365 | 163,250 | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 54 | 54 | 54 | 54 | 54 | 54 | 0 |
| Crude death rate (interp series) | NUMBER | 24 | 23 | 23 | 22 | 22 | 22 | 0 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 168 | 165 | 163 | 160 | 158 | 156 | 0 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 0 | 0 | 37 | 0 | 36 | 35 | 0 |
| Life expectancy, total | NUMBER | 43 | 44 | 44 | 44 | 45 | 45 | 0 |
| Life expectancy, males (interp series) | NUMBER | 43 | 43 | 43 | 44 | 44 | 44 | 0 |
| Life expectancy, female | NUMBER | 44 | 45 | 45 | 45 | 46 | 46 | 0 |
| Total fertility rate (interp series) | NUMBER | 8 | 8 | 8 | 8 | 8 | 8 | 0 |
| Contraceptive users | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, rural | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, urban | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | | |
| Number of physicians | NUMBER | 0 | 118 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 2,092 | 0 | 0 | 0 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,452 | 2,488 | 2,446 | 2,423 | 2,448 | 2,415 | 0 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 70 | 70 | 69 | 70 | 70 | 67 | 0 |
| % Dwellings w/electricity | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | PERCENT | 0 | 0 | 0 | 0 | 6 | 0 | 0 |
| Safe water, rural | PERCENT | 0 | 0 | 0 | 0 | 28 | 0 | 0 |
| Safe water, urban | PERCENT | 0 | 0 | 0 | 0 | 58 | 0 | 0 |

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| EDUCATION | | | | | | | | | | | |
| Gross enrollment ratio | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 55 | 55 | 56 | 56 |
| Gross enrollment ratio, male | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 67 | 66 | 66 | 67 |
| Gross enrollment ratio, female | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 44 | 44 | 45 | 45 |
| % Pupo reaching grade 6 | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | | | | | |
| Labor force size | NUMBER | 2,162,000 | 2,206,200 | 2,250,400 | 2,294,600 | 2,338,800 | 2,383,000 | 2,427,000 | 2,471,000 | 2,515,000 | 2,559,000 |
| Labor participation rate | PERCENT | 48 | 0 | 0 | 0 | 0 | 45 | 0 | 0 | 0 | 0 |
| Male labor participation rate | PERCENT | 54 | 0 | 0 | 0 | 0 | 51 | 0 | 0 | 0 | 0 |
| Female labor participation rate | PERCENT | 42 | 0 | 0 | 0 | 0 | 40 | 0 | 0 | 0 | 0 |
| Female labor force as % total labor force | PERCENT | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 44 | 44 | 44 |
| Labor in agriculture as % total | PERCENT | 91 | 90 | 89 | 88 | 88 | 0 | 86 | 86 | 85 | 84 |
| Labor in industry | PERCENT | 4 | 4 | 5 | 5 | 5 | 5 | 6 | 6 | 7 | 7 |
| Labor in services | PERCENT | 6 | 6 | 6 | 7 | 7 | 7 | 8 | 8 | 9 | 9 |

| TITLE | UNIT | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|
| EDUCATION | | | | | | | | |
| Gross enrollment ratio | PERCENT | 61 | 64 | 62 | 60 | 62 | 0 | 0 |
| Gross enrollment ratio, male | PERCENT | 74 | 73 | 73 | 69 | 71 | 0 | 0 |
| Gross enrollment ratio, female | PERCENT | 49 | 51 | 52 | 50 | 53 | 0 | 0 |
| % Pupo reaching grade 6 | PERCENT | 0 | 30 | 0 | 0 | 33 | 0 | 0 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | | |
| Labor force size | NUMBER | 2,703,001 | 2,777,201 | 2,851,401 | 2,925,601 | 2,999,801 | 3,074,001 | 3,150,201 |
| Labor participation rate | PERCENT | 45 | 0 | 0 | 0 | 0 | 44 | 0 |
| Male labor participation rate | PERCENT | 53 | 0 | 0 | 0 | 0 | 52 | 0 |
| Female labor participation rate | PERCENT | 39 | 0 | 0 | 0 | 0 | 37 | 0 |
| Female labor force as % total labor force | PERCENT | 44 | 44 | 43 | 43 | 43 | 43 | 42 |
| Labor in agriculture as % total | PERCENT | 83 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor in industry | PERCENT | 7 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor in services | PERCENT | 9 | 0 | 0 | 0 | 0 | 0 | 0 |

# MOZAMBIQUE:

## ECONOMIC POLICY PROFILE

### 1. LIBERALIZATION STRATEGY OVERVIEW(1)

During the first half of the 1980s the Mozambican economy suffered severe declines in output and economic disturbances. Some of this can be attributed to external forces including adverse terms of trade and armed attacks throughout the country. But inappropriate economic policies also contributed to the problems. An initial effort was made to adopt corrective policy measures during 1984-86. This included debt rescheduling, creation of an export retention scheme, adjustments in prices controlled by Government, and initial freeing of some farm produce prices. Since these actions did not attack the fundamental structural problems and distortions, they proved insufficient and the economy continued to shrink. Government recognized that the bleak security situation, while burdening the economy and distorting economic activity, was not the sole reason for economic collapse. What was evident was the need for a much more comprehensive and ambitious reform of the economy.

In January, 1987 the Government undertook an Economic Rehabilitation Program designed to relieve structural problems and distortions. Increased efficiency in production and resource allocation was one goal, pursued by greater reliance on market signals and reduced central administrative controls. Demand management was also pursued through the use of fiscal, monetary, exchange rate and external borrowing policies. Resources were sought from an increase in and a redirection of external assistance, part of which was to be used to rehabilitate economic infrastructure and to ease the situation of people displaced by drought and security disturbances. External debt was to be serviced at feasible levels. Structural reforms were started in agriculture, industry, banking and transportation while public enterprise management was to be improved.

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(1) The discussion in this paper is based upon analyses and documents of the Government of Mozambique, the World Bank. The International Monetary Fund and U.S. A.I.D., as well as discussions with officials in Mozambique. It is intended to provide an overview of issues and progress concerning economic management of Mozambique's economy and to assist U.S. A.I.D. in considering a five year development strategy for Southern Africa.

The most recent Government statement of overall macroeconomic policy strategy, jointly prepared with the IMF and the World Bank, is the second Policy Framework Paper document covering 1988 to 1990. It reaffirms the basic strategy of the Economic Rehabilitation Program.

As overall objectives for the Economic Rehabilitation Program, the following remain of highest priority:

1) reverse the decline in production and restore a minimal level of consumption and income for the population, especially those in the rural areas;
2) curtail domestic financial imbalances and strengthen the external payments position;
3) establish the conditions for more rapid and more efficient economic growth in the medium- to long-term as the security situation eases and other exogenous constraints improve.

These add up to modest economic growth being re-established during 1987 and accelerating to a growth rate of 3-4% during 1988 and 1989. Recovery is to be centered on the agricultural sector which can provide the needed increased in rural incomes and restoration of production for export. Export volumes are projected to grow at 8%, although starting from a very low base. Real investment would stabilize with a redistribution of available resources to rehabilitation and completion of priority ongoing projects rather than initiation of new projects. Recovery of production and external financing of essential imports should provide for a relatively rapid growth in real consumption per capita averaging in excess of 5% per year.

This reform approach should be put in some historical context so that it can be judged in terms of its effectiveness in correcting economic problems and policies. Mozambique's [illegible]y went through a serious decline in output and aggr[illegible]ation of economic distortions and financial imbalances during the first half of the 1980s. Exogenous developments, including adverse terms of trade and climatic variation, were adverse during this time while disruptions and insecurity from armed attacks in a number of parts of the country introduced severe dislocation. At the same time, economic policies were inappropriate to deal effectively with an increasing range of economic problems.

From 1980 to 1986 overall production decreased by nearly 30% while exports dropped by 75% and imports fell some 33% by the end of 1985, only recovering slightly in 1986. An increasingly overvalued exchange rate aggravated external imbalances and external debt service arrears rose rapidly.

Large fiscal deficits and unchecked bank financing of enterprise losses resulted in a tripling of the money stock despite shrinking real output. Extensive administrative controls permeated the economy, including direct decisions on prices and resource allocation. Although intended to promote efficiency and social equity, such government control of the economy brought about rigidities and disincentives which worked against economic recovery. Distortions increased as barter, inflation and parallel or illegal markets became pervasive.

Initial, although modest, efforts were made to correct these economic problems during the period 1984-86. External debt was rescheduled. An export retention scheme was introduced. Prices were adjusted upwards for some staple food items and services while there was a freeing of some farm produce prices. But these measures did not attack the basic structural problems and distortions in the economy and proved to be insufficient to reverse the economy's decline. In light of the probable continuation of a serious security threat to the country, which would present additional disruptions and hamper economic recovery, a bolder, more comprehensive reform program was obviously required. The Economic Rehabilitation Program which started in January, 1987 is that comprehensive attack on structural rigidities and distortions in the economy.

The first year of the Economic Rehabilitation Program, in summary terms, sought to enhance economic efficiency and improved resource allocation by strengthening economic incentives and increasing reliance on market signals as opposed to centralized administrative controls. Other measures sought to improve demand management by using appropriate fiscal, monetary, exchange rate and external borrowing policies. External assistance was increased and redirected to support rehabilitation of economic infrastructure for the population displaced by drought and security disturbances. External debt burden was rearranged and debt service payments arranged at feasible levels. Structural reforms were started in the key sectors of agriculture, industry, banking and transportation.

During the second year of the Economic Rehabilitation Program - 1988 - the overall objectives remain unchanged. The strategy is to continue a focus on key constraints to economic growth while refining particular policy changes and new programs to take account of various economic studies completed during 1987. Further work will be done in 1988 to chart out a multi-year rehabilitation of various sectors of the economy, consistent with the evolving macroeconomic framework of increasingly price-based incentives and indirect as opposed to previously direct government controls on the economy.

Mozambique has undertaken an ambitious, if high risk, economic reform package. It has made substantial progress towards correcting market distortions, dismantling direct administrative intervention in the economy, and re-establishing a foundation from which economic growth can be sustainable. However, the economy was severely deteriorated when the current reform effort started, both from a long period of excessive statist control and from security disruptions which continue.

The need for rehabilitation of most sectors of the economy places real, if unknown, constraints on a well-functioning economy over the next 5 years. Some sectors have capital so deteriorated and obsolete that it must be replaced. Other sectors, not directly as dehabilitated, nevertheless depend on inputs from an economy with major portions unable to provide reasonably priced and regularly delivered intermediate inputs to production.

In such a situation, there is a substantial risk that the reform agenda will be delayed or even set aside. Security risks, having severely disrupted the country, could remain serious or even increase. Supplemental resources from donors must remain high if the reform agenda is to continue. Political will in the nation must continue to support reform through a period when hardship will prevail and some groups' welfare will be relatively harmed as other groups' well-being increases.

## 2. KEY POLICY ELEMENTS

### 2.A. Exchange Rate Management

The objective of exchange rate management under the [illegible]-year Economic Rehabilitation Program is to restore economic incentives by integrating the official and parallel market rates. This should result in a market-clearing exchange rate by the end of the Economic Rehabilitation Program period, allowing Government to rely more heavily on macro management rather than direct administrative controls to maintain the balance of payments. The goal at the start of the Economic Rehabilitation Program was to bring the official rate to 50% of the parallel market rate by the end of 1987, to 70% of the parallel rate by the middle of 1988, and to provide for a merging of the two rates by 1990.

During 1987 the metical was devalued from Mt. 39 per U.S.dollar to Mt. 200/U.S. $ in January and to Mt. 400 in June, 1987. 1988 should see a continuation of flexible adjustments in the exchange rate, a policy central to restoring adequate economic incentives (especially for exporters) and to strengthening the nation's external accounts. The Government intends to attain a realistic and flexibly managed exchange

rate by the end of the Economic Rehabilitation Program period (1990). This should allow for a dramatic decrease in the scope of administrative allocations of foreign exchange and interference in the trade system. The objective is to use appropriate macroeconomic policies to manage the balance of payments.

Some progress in this regard has already been achieved. It is Government policy initially to prevent (on a monthly basis) a widening of the gap between the official and the parallel market foreign exchange rates. A modified system of exchange rate management will be developed during 1988 to move the exchange rate by 1990 to a realistic market-clearing level.

2.B. Import Administration

Linked to exchange rate policy, and the move towards a more flexible and realistic exchange rate, will be a gradual dismantling of direct Government control of the trade system. In the interim, through 1990, there will still be dependence on administrative allocation which will be improved in efficiency even as the economy's need for such direct allocation shrinks. For example, the Government has decreased the number of product groups which must be traded through a Government monopoly trading corporation from 11 imports and 3 exports at the end of 1986 to 5 imports (petroleum products, pharmaceutical, agrochemicals, cereals, and electricity) and 1 export product (sugar) by the end of 1987. During 1988 the Government is committed to review the role of administrative import restrictions in the economy and prepare a program under which a limited number of products could be imported without administrative restriction. Due to be implemented by late 1988, such a system would allow importers of such products to purchase foreign exchange through the banking system subject only to automatic licensing procedures.

Steps are being taken to improve the operation and efficiency of the foreign exchange allocation system, which will decrease in importance but remain through the Economic Rehabilitation Program period. Semi-annual reviews are being made of estimated foreign exchange supply and demand. Improvements are underway to provide a better match between donor assistance and the priority needs of the economy. Allocation of foreign exchange among sectors and potential users is to rest increasingly on measures of overall efficiency of the proposed users in terms of contribution to domestic value added. There will be a broadening of the range of products which can be imported without administrative allocation. While interim detailed allocation procedures will decrease in importance, Government will continue to maintain a degree of control over aggregate foreign exchange allocation to assure that importation of essential products continues while debt service obligations are met.

Government will, at the same time, maintain the existing "own use" import system where imports are allowed in, subject only to the automatic granting of license if value exceeds US$ 500, where such imports are for an individual's or enterprise's own use and financed from outside resources (i.e. no recourse to the banking system for foreign exchange is required). Permission for resale of specific imports is to be given provided the trader is registered to trade in these goods, and if such goods do not compete directly with domestic industry.

## 2.C. Export Policies

An Export Retention Scheme was introduced in 1984 and has since then been expanded to include, by the end of 1986, nearly 100 large producers that earn foreign exchange. In January, 1987 it was further broadened to include all exporters of non-traditional products. More recent revisions have attempted to reduce discrimination by narrowing the range of retention rates for participating exporters and thereby lessening the chance of tying up scarce foreign exchange in uneconomic uses. The average retention rate was reduced from 70% during 1984-86 to 50% in 1987. Also purchases and sales of "rights to import" using foreign exchange retained under the scheme are now allowed through the banking system, but only among participants in the scheme. Additional revisions to the retention scheme are inherent in the Economic Rehabilitation Program, including automatic eligibility of exporters, a further narrowing of the range of retention rates, and an easing of restrictions on transferability of retention proceeds.

## 2.D. Industrial Policies

The Economic Rehabilitation Program strategy for the industrial sector is far-reaching. It includes improved efficiency of resource use and increased autonomy and

accountability of enterprises. Macroeconomic policies are intended to provide increasing incentive to bring about these adjustments, while in the interim corrections in administrative systems will start the reform process. Thus, foreign exchange allocation, in the interim until a market-clearing exchange rate takes its place, will be improved. There will be credit and budgetary transfer restrictions. Increasing autonomy in trading decisions of enterprises both in domestic and international transactions will shift responsibility to production entities and make them responsible for operating efficiency and reduction of operating losses. There will be a program of price decontrol. A Review of Enterprises will review 15 major agricultural enterprises and 25 industrial operations with the goal of identifying specific strategies for their restructuring (be that rehabilitation, divestiture or closure). This review will set the tone for the types of restructuring required in other enterprises.

The strategy of the Policy Framework Paper, 1988 - 1990 related to industry builds as much upon changing stimuli in other sectors as upon changes directly affecting industry. Thus, changes in the exchange rate, pricing subsidies, managerial autonomy, credit and foreign exchange allocation are seen as critical determinants of the health of industry. Liberalization of these economic determinants will help ensure that resources increasingly are directed at the most economically efficient enterprises and sectors. In addition, greater flexibility in industrial pricing will help introduce greater supply response. The number of product groups subject to fixed pricing legislation was reduced from 9 to 7 in January 1988, with further reductions planned in June, 1988 and by the end of 1988. In the case of products remaining under control, prices will be adjusted regularly to keep pace with exchange rate adjustments. Increasingly enterprises will be allowed to adjust prices subject only to ex post ministerial review.

## 2.E. Price Regulation

A central element of the Economic Rehabilitation Program has been progressive dismantling of rigid pricing and allocative controls. There will be retention of limited controls for products considered strategic for security, where an equitable regional distribution is necessary, where monopolistic power can be exercised, and in relation to implementation of grant and loan conditions.

Generally pricing policy will focus on increasing flexibility in price setting throughout the economy to restore the pricing mechanism as a means of allocating resources. The reduction in the number of products subject to fixed price

controls will continue; in January, 1988 it was reduced from 37 to 32 and at least 4 additional items were to be decontrolled by June, 1988 and 3 more by the end of 1988. Eventually items still price controlled should be limited to fixed prices for a few staples, which will be adjusted regularly to reflect production and procurement cost changes (especially changes in the exchange rate).

There will be substantial increases in prices of those commodities in the nation's ration system that are highly subsidized. The goal is to eliminate the gap between actual economic production costs and consumer prices, since this has operated as a distortion to increased production and marketing while placing a heavy burden on the fiscal budget.

Related to these moves, Government will expand domestic and international trade which will expand competition at all stages of the distribution system. Enterprises have been given permission to trade with other enterprises directly, rather than as previously required only through wholesaling intermediaries. Final products subject to administrative allocation dropped from 43 to 30 at the end of 1987 and there will be further reductions in 1988. Goods remaining under direct allocation will be managed with highest priority going to providing sufficient allocation to displaced persons due to security and climatic conditions and to the rural areas.

## 2.F. Fiscal Policies

The strategy for fiscal policy under the Economic Rehabilitation Program during 1987 focused on strengthening the revenue base, rationalizing and limiting public expenditure, and restoring financial discipline to public enterprise operations. In January, 1987 the domestic tax code was revised to widen the base of domestic taxation, accelerate payments, [illegible] the income tax, simplify collections and increase revenue generation. The growth rate of current expenditure has been held lower than the growth rate of revenue. For capital expenditures a limit has been placed such that it can grow no faster than the level of net external financing. Public enterprise losses have been brought into the government budget for the first time while a limit has been placed on the amount of such losses and on the cost of public subsidy to consumers. There have been complex impacts on revenue and expenditure from devaluation and other relative price changes. However, during 1987 it was possible to bring about a limited reduction in the ratio of the overall deficit to total expenditures. The current government deficit as well as domestic bank financing of the overall deficit were constrained at nominal levels to an amount only slightly higher than in 1987, which means a considerable reduction in relation to other budgetary and economic aggregates.

During 1988 and later years of the Economic Rehabilitation program fiscal policy objectives will continue to focus on a strengthening of the public sector's financial position. This will include improvement of public savings performance and a corresponding reduction of that sector's recourse to domestic bank financing. The "crowding out" effect of budgetary financing on legitimate credit demand in the rest of the economy must be reduced if economic recovery and rehabilitation are to proceed and inflation is to be constrained. Specific fiscal measures to be undertaken include: improved buoyancy and efficiency of the revenue structure; restoration of financial discipline and profitability in public enterprises; constraints on the growth of current government expenditures; prioritization of government capital expenditures; and improved coordination and utilization of external assistance.

Revenue enhancement during 1988 focuses on initiating a customs tariff reform and on preparing a package of additional domestic tax measures to strengthen the domestic revenue system. An initial round of customs tariff reform will be prepared with the objective of substantial simplification of the rate structure of import duties, which will be implemented by the end of the year. While this is intended to be roughly revenue neutral, it should improve collections. In addition, other revenue recommendations of the IMF will be considered for possible adoption during 1989. These include application of the turnover tax to imports (inclusive of import duties) similar to its current application to domestic manufactures and revision of the turnover tax rate structure so that it impacts more heavily (10%) at the manufacturer/importer level than at the wholesale/retail level (5%). This latter adjustment would limit cascading and improve collections.

An important part of constricting current government expenditures involves restrained wage policy, severe limits on purchases, and reductions in budgetary subsidies. During 1988 a major effort is to be made to reduce consumer subsidies and prevent them becoming an uncontrollable structural burden on the budget. Prices of staples which are rationed and heavily subsidized in the two main cities will be increased in price several fold while the impact on effective purchasing power of lower income families is to be substantially offset by wage increases. A better "safety net" to protect the unemployed, refugees and other vulnerable groups will be put in place with the assistance of donor support. Wage increases during the remainder of the Economic Rehabilitation Program are to be limited to no more than the anticipated increase in the cost of living. Subsidies to public enterprises will likewise be reduced and action programs prepared to correct the financial imbalances in the public enterprises with the largest losses. Capital

expenditures will remain heavily dependent on external loan and grant inflows, while priority in capital expenditure will go to completion of the most productive ongoing projects, rehabilitation and maintenance expenditures,and for projects providing rapid earnings or savings of foreign exchange with high rates of economic return.

These actions should improve the current budget position and bring about a steady reduction in domestic bank financing of the overall budget deficit. During 1988 the objective is to reduce bank financing of the deficit somewhat below the 1987 level of Mt. 20 billion, which would be a sharp reduction in real terms. The Government aims to achieve a current budget surplus by 1990.

## 2.G. Financial Sector Policies

During 1987 money and credit policies were focused on reducing excess liquidity and improving the efficiency of credit utilization. Interest rates were raised sharply in January, 1987 from a range of 0-6% for deposits and 3-10% for loans to 3-20% for deposits and 12-35% for loans. Commercial principles were brought into the evaluation of loan requests, within the overall credit ceilings. Improvements in financial analysis, accounting and management of financial institutions was initiated. During all of 1987 expansion of money and quasi-money was limited to an estimated 50%, which was slightly over target but much less than the increase in nominal GDP.

During 1988 financial sector policies will continue to encourage structural reforms of the financial sector while constraining bank credit expansion to levels consistent with the likely flow of financial savings through the banking system and with the balance of payments and other macroeconomic objectives. Credit policy will continue to be implemented through explicit ceilings on aggregate bank credit and on credit to Government. Plans for more indirect control of credit, including use of reserve requirements, will be formulated for adoption by the end of the Economic Rehabilitation Program.

The credit program for 1988 is based upon an increase in money and quasi-money of approximately 43%, with no significant change in net foreign assets. Within this expansion net credit to Government will be limited so that there will be a substantial reduction in real terms relative to 1987. Interest rate increases are focused on bringing about positive real interest rates by the end of the Economic Rehabilitation Program period. Substantial reforms are necessary in requiring government to pay interest on borrowed money and simplification of complicated loan structures and administration.

2.H. Other Policies

Agriculture is the key sector in the country and the Economic Rehabilitation Program includes policies to reform pricing and marketing policies to provide greater incentive to both producers and traders while stimulating more efficient production and distribution. Initial efforts to free up direct controls on production centered on fruits and vegetables; experience during 1987 indicated that while nominal prices increased under decontrol when prices were allowed to move to the parallel market level, in real terms prices were significantly lower. At the same time, private sector production improved significantly in response to improved financial incentives and the reduction in controls. It is recognized that as this and other agricultural markets are cut away from direct government controls there will be a need for international assistance to improve inputs, equipment and vehicles if the producers and markets are to respond positively to improved incentives.

Agricultural pricing will keep pace with other aspects of decontrol as the Government reduces the number of products subject to fixed pricing and allows those still under control to adjust prices to reflect increased input costs (including a pass-through of exchange rate adjustments). Parallel with decontrol will be efforts to improve access to credit, provide rehabilitation of producer and marketing infrastructure, and stimulation of private sector participation.

Integral to success in agriculture, industry and other sectors of the economy is improvement in the transportation sector. Bottlenecks must be eliminated in moving domestic agricultural products and in providing for long distance cargo transport. Transport tariffs are to be reviewed during 1988 to improve efficiency and reduce direct administrative controls. Public transport agencies will be pushed to operate on financial criteria while efforts will be mounted to encourage private participation in road transport. Continued rehabilitation of the major rail corridors should begin to generate higher foreign exchange earnings from transit services and improved domestic trade.

VII-B

World Bank Development Indicators Tables:

MOZAMBIQUE

Data not Available

SOCIAL INDICATORS FOR MOZAMBIQUE
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | SQ KILOM. | 802 | 802 | 802 | 802 | 802 | 802 |
| Total agricultural land | SQ KILOM. | 470 | 470 | 470 | 471 | 471 | 471 |
| Arable land | SQ KILOM. | 28 | 28 | 28 | 29 | 29 | 29 |
| Pasture land | SQ KILOM. | 442 | 440 | 440 | 440 | 440 | 440 |
| POPULATION | | | | | | | |
| Total population, (interp series) | NUMBER | 9,594,001 | 9,621,001 | 9,859,001 | 10,102,001 | 10,351,001 | 10,606,001 |
| Population, female | NUMBER | 4,787,711 | 4,904,123 | 5,023,358 | 5,145,465 | 5,270,543 | 5,398,852 |
| Population, male | NUMBER | 4,601,991 | 4,717,179 | 4,835,244 | 4,956,237 | 5,080,259 | 5,207,250 |
| Population, age 0-14 | NUMBER | 4,018,302 | 4,133,014 | 4,250,825 | 4,371,860 | 4,496,232 | 4,624,047 |
| Population, age 15-64 | NUMBER | 5,066,469 | 5,174,665 | 5,285,037 | 5,397,793 | 5,512,953 | 5,630,601 |
| Population, age 65+ | NUMBER | 304,872 | 313,683 | 322,741 | 332,049 | 341,617 | 351,455 |
| Urban population total | NUMBER | 535,213 | 595,434 | 662,423 | 736,959 | 819,875 | 912,125 |
| Urban population as % total | PERCENT | 6 | 6 | 7 | 7 | 8 | 9 |
| Agriculture population density | NUMBER | 19,975 | 20,466 | 20,964 | 21,457 | 21,986 | 22,528 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 49 | 47 | 47 | 47 | 47 | 47 |
| Crude death rate (interp series) | NUMBER | 24 | 23 | 23 | 23 | 22 | 22 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 169 | 168 | 168 | 167 | 167 | 166 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 28 | 0 | 0 | 0 | 0 | 0 |
| Life expectancy, total | NUMBER | 40 | 40 | 41 | 41 | 42 | 42 |
| Life expectancy, males (interp series) | NUMBER | 39 | 40 | 41 | 41 | 41 | 41 |
| Life expectancy, female | NUMBER | 42 | 43 | 43 | 43 | 44 | 44 |
| Total fertility rate (interp series | NUMBER | 7 | 7 | 7 | 7 | 7 | 7 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | NUMBER | 498 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 19 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 2,244 | 0 | 0 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 4 | 0 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | 11,041 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 1 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,068 | 2,017 | 1,955 | 1,981 | 1,957 | 1,908 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 39 | 38 | 38 | 37 | 36 | 35 |
| Safe water access as % of population | PERCENT | 0 | 0 | 0 | 0 | 0 | 10 |
| Safe water, rural | PERCENT | 0 | 0 | 0 | 0 | 0 | 2 |
| Safe water, urban | PERCENT | 0 | 0 | 0 | 0 | 0 | 52 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | PERCENT | 47 | 0 | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, male | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, female | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | NUMBER | 4,742,001 | 4,900,001 | 5,058,001 | 5,216,001 | 5,374,001 | 5,532,001 |
| Labor participation rate | PERCENT | 59 | 0 | 0 | 0 | 0 | 57 |
| Male labor participation rate | PERCENT | 59 | 0 | 0 | 0 | 0 | 58 |
| Female labor participation rate | PERCENT | 57 | 0 | 0 | 0 | 0 | 56 |
| Female labor force as % total labor force | PERCENT | 50 | 50 | 50 | 50 | 50 | 50 |
| Labor in agriculture as % total | PERCENT | 86 | 86 | 86 | 86 | 86 | 86 |
| Labor in industry | PERCENT | 6 | 6 | 6 | 7 | 7 | 7 |
| Labor in services | PERCENT | 7 | 8 | 8 | 8 | 8 | 8 |

SOCIAL INDICATORS FOR MOZAMBIQUE
Based Upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | 802 | 802 | 802 | 802 | 802 | 802 | 802 |
| Total agricultural land | 471 | 471 | 471 | 471 | 471 | 471 | 471 |
| Arable land | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Pasture land | 440 | 440 | 440 | 440 | 440 | 440 | 440 |
| POPULATION | | | | | | | |
| Total population, (interp series) | 10,890,001 | 11,181,001 | 11,478,001 | 11,788,001 | 12,103,001 | 12,423,001 | 12,752,001 |
| Population, female | 5,541,171 | 5,687,293 | 5,837,288 | 5,991,246 | 6,209,498 | 6,372,649 | 6,540,418 |
| Population, male | 5,348,870 | 5,494,119 | 5,640,714 | 5,796,556 | 5,893,504 | 6,048,353 | 6,207,584 |
| Population, age 0-14 | 4,779,411 | 4,939,094 | 5,103,242 | 5,271,957 | 5,444,374 | 5,615,799 | 5,793,182 |
| Population, age 15-64 | 5,760,136 | 5,892,911 | 6,029,074 | 6,169,723 | 6,312,468 | 6,449,270 | 6,589,848 |
| Population, age 65+ | 350,455 | 349,398 | 348,286 | 347,122 | 346,160 | 355,933 | 368,971 |
| Urban population total | 1,020,332 | 1,141,367 | 1,276,758 | 1,428,209 | 1,597,597 | 1,569,707 | 1,542,383 |
| Urban population as % total | 10 | 10 | 11 | 12 | 13 | 0 | 0 |
| Agriculture population density | 23,131 | 23,745 | 24,380 | 25,038 | 25,707 | 26,387 | 27,066 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | 47 | 47 | 47 | 46 | 46 | 46 | 45 |
| Crude death rate (interp series) | 21 | 21 | 20 | 20 | 20 | 19 | 19 |
| Infant mort rate, age 0-1 (interp series) | 166 | 165 | 163 | 160 | 158 | 155 | 153 |
| Child mort rate, age 1-4 (interp series) | 0 | 0 | 0 | 0 | 0 | 0 | 21 |
| Life expectancy, total | 43 | 43 | 44 | 44 | 45 | 45 | 46 |
| Life expectancy, males (interp series) | 42 | 42 | 42 | 43 | 43 | 44 | 44 |
| Life expectancy, female | 45 | 45 | 45 | 46 | 46 | 47 | 47 |
| Total fertility rate (interp series) | 7 | 7 | 7 | 6 | 6 | 6 | 6 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | 0 | 0 | 0 | 0 | 0 | 336 | 0 |
| Population per physician | 0 | 0 | 0 | 0 | 39 | 0 | 0 |
| Number | 0 | 0 | 0 | 0 | 0 | 2,214 | 0 |
| Population per [illegible] | 0 | 0 | 0 | 0 | 5 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 | 13,180 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Daily calorie intake | 1,949 | 1,899 | 1,838 | 1,802 | 1,813 | 1,778 | 1,733 |
| Daily calorie requirement | 0 | 2,340 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 36 | 34 | 32 | 31 | 32 | 31 | 30 |
| Safe water access as % of population | 0 | 0 | 0 | 0 | 9 | 0 | 0 |
| Safe water, rural | 0 | 0 | 0 | 0 | 2 | 0 | 0 |
| Safe water, urban | 0 | 0 | 0 | 0 | 82 | 0 | 0 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | 87 | 100 | 102 | 104 | 75 | 71 | 92 |
| Gross enrollment ratio, male | 104 | 117 | 119 | 120 | 87 | 81 | 104 |
| Gross enrollment ratio, female | 70 | 82 | 84 | 87 | 64 | 61 | 79 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 | 67 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | 5,806,401 | 6,080,601 | 6,358,201 | 6,629,601 | 6,904,001 | 0 | 0 |
| Labor participation rate | 0 | 0 | 0 | 0 | 57 | 0 | 0 |
| Male labor participation rate | 0 | 0 | 0 | 0 | 58 | 0 | 0 |
| Female labor participation rate | 0 | 0 | 0 | 0 | 56 | 0 | 0 |
| Female labor force as % total labor force | 50 | 50 | 50 | 50 | 50 | 50 | 49 |
| Labor in agriculture as % total | 85 | 85 | 85 | 85 | 85 | 0 | 0 |
| Labor in industry | 7 | 7 | 7 | 7 | 7 | 0 | 0 |

SOCIAL INDICATORS FOR MOZAMBIQUE
Based Upon World Bank Data

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| LAND | | | | |
| Total land area | 802 | 802 | 802 | 0 |
| Total agricultural land | 471 | 471 | 0 | 0 |
| Arable land | 29 | 29 | 0 | 0 |
| Pasture land | 440 | 440 | 0 | 0 |
| POPULATION | | | | |
| Total population, (interp series) | 13,089,001 | 13,436,001 | 13,791,001 | 14,186,001 |
| Population, female | 6,712,291 | 6,893,399 | 7,047,602 | 0 |
| Population, male | 6,376,711 | 6,542,603 | 6,743,400 | 0 |
| Population, age 0-14 | 5,976,161 | 6,169,415 | 6,366,264 | 0 |
| Population, age 15-64 | 6,736,595 | 6,879,544 | 7,026,964 | 0 |
| Population, age 65+ | 376,245 | 387,042 | 397,774 | 0 |
| urban population total | 1,515,457 | 1,490,033 | 1,464,231 | 0 |
| Urban population as % total | 0 | 0 | 19 | 0 |
| Agriculture population density | 27,802 | 28,519 | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | |
| Crude birth rate, (interp series) | 45 | 45 | 45 | 0 |
| Crude death rate (interp series) | 0 | 0 | 18 | 0 |
| Infant mort rate, age 0-1 (interp series) | 147 | 133 | 125 | 0 |
| Child mort rate, age 1-4 (interp series) | 0 | 22 | 22 | 0 |
| Life expectancy, total | 46 | 47 | 47 | 0 |
| Life expectancy, males (interp series) | 0 | 0 | 45 | 0 |
| Life expectancy, female | 0 | 0 | 49 | 0 |
| Total fertility rate (interp series) | 6 | 6 | 6 | 0 |
| HEALTH AND NUTRITION | | | | |
| Number of physicians | 0 | 0 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 |
| Daily calorie intake | 1,699 | 1,678 | 1,617 | 0 |
| Daily calorie requirement | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 30 | 30 | 28 | 0 |
| Safe water access as % of population | 0 | 0 | 0 | 0 |
| Safe water, rural | 0 | 0 | 0 | 0 |
| Safe water, urban | 0 | 0 | 0 | 0 |
| EDUCATION | | | | |
| Gross enrollment ratio | 87 | 0 | 84 | 0 |
| Gross enrollment ratio, male | 94 | 0 | 94 | 0 |
| Gross enrollment ratio, female | 71 | 0 | 74 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | |
| Labor force size | 0 | 0 | 0 | 7,824,401 |
| Labor participation rate | 0 | 0 | 0 | 0 |
| Male labor participation rate | 0 | 0 | 0 | 0 |
| Female labor participation rate | 0 | 0 | 0 | 0 |
| Female labor force as % total labor force | 49 | 49 | 49 | 48 |
| Labor in agriculture as % total | 0 | 0 | 0 | 0 |
| Labor in industry | 0 | 0 | 0 | 0 |
| Labor in services | 0 | 0 | 0 | 0 |

# TANZANIA:

## ECONOMIC POLICY PROFILE

### 1. LIBERALIZATION STRATEGY OVERVIEW (1)

Tanzania's socialist approach to development was laid out in the 1966 Arusha declaration. This remained the organizing principle at least until the early to mid-1980s. During the late 1960s and 1970s large scale industry, commerce and finance were nationalized and farmers' cooperatives were replaced by government authorities responsible for collection, processing, and marketing of all major export crops. National plans stipulated investment goals and production targets, fixed commodity prices and generally supplanted market forces. Import substitution proceeded to span industrial development across a broad range of sectors including heavy industrial capacity.

In its early stages this approach to development appeared to be successful. Between 1966 and 1973 gross investment rose to approximately 20% of GDP while GDP grew at 4.4% per year. Much of this growth was in social services and administration; physical output grew much more slowly and agricultural output increased by only 2.3% per year in real terms. Industry expanded its capacity at a rapid rate but output rose little relative to the growth in investment as a major part of production came in the form of inefficient import substitution operations.

The last part of the 1970s witnessed what appeared to be continued prosperity, although increasing signs of structural weaknesses appeared. The rate of real GDP growth was 5.5% per year from 1973 to 1978, based almost completely on a rapid rise in commodity prices which led to higher values for Tanzania's exports (principally coffee and cotton). This is shown by a 38% improvement in the terms of trade from 1972 to 1977; during the same period the volume of exports remained fixed and production of goods for the home market likewise did not increase.

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(1) The discussion in this paper is based upon analysis and documents of the Government of Tanzania, the World Bank, the International Monetary Fund and U.S. A.I.D., as well as discussions with officials in Tanzania. It is intended to provide an overview of issues and progress concerning economic management of Tanzania's economy and to assist U.S. A.I.D. in considering a five year development strategy for Southern Africa.

Government fiscal and monetary policy fueled the prosperity, but also established conditions contributing to a subsequent collapse of growth. Expenditures outstripped tax revenues, leading to fiscal deficits and a rising national debt. The money supply tripled from 1973 to 1978 and inflation rose be an even higher proportion. There was a rapid rise in imports which far outpaced growth of exports. This led to a large trade deficit which grew in spite of quantitative restrictions on imports introduced in 1975. The trade deficit brought about a deteriorating foreign exchange reserve position and worsening balance of payments problem. There was increased dependence on foreign borrowing and donor assistance. Thus by the end of 1978 the economy was vulnerable to external shocks.

The period after 1978 witnessed serious deterioration of the Tanzanian economy. Real GDP remained unchanged from 1979 to 1985 while population growth brought about a drop in per capita real GDP by 12%. Output of industry and export-oriented agriculture declined and the subsistence sector gained in relative importance. A serious deterioration in the terms of trade occurred due to the second oil shock in 1979 and a subsequent collapse of commodity prices. During the period 1979 through 1981 there was a severe drop in the terms of trade so that it stood 15% below its 1972 level. Other adverse shocks came from severe drought in the late 1970s and a 1978-79 military conflict with Uganda.

The 1979 recession seriously affected government revenues while fiscal expenditures rose rapidly. This exacerbated the fiscal deficit and recourse to central bank borrowing, leading to sharp price increases from excessive aggregate demand for available supplies. In response, Government devalued by 10% in 1979 but this was inadequate in the face of the structural imbalances in the economy. Resort to quantitative restrictions on imports increased and was successively made more complex in efforts to ration scarce foreign exchange and assure that priority sectors received adequate imports. Ceilings on nominal interest rates led to a similar excess demand for credit and efforts to ration available funds. With an overvalued exchange rate and a negative interest rate, those enterprises favored by the allocation system were subsidized and others penalized, all in an environment of administrative decision-making rather than market forces. In the process, these administrative efforts to direct the economy hurt export-oriented agriculture and food production fell, leading to a food crisis.

There was an aborted IMF Standby Facility negotiated in September, 1980 which Tanzania did not comply with in curtailing public expenditures, reducing the money supply and devaluing the currency. Foreign aid levels meanwhile were rising in relative importance. After rising during the 1970s, donor assistance dropped from 1980 to 1983. At the same time, official aid as a percent of GDP which was 4.4% in 1970 rose to 13.7% by 1980, thus making any decrease in aid serious for the economy.

Initial efforts to reform the economy came in 1980 and 1981 as economic "survival plans." The 1981 National Economic Survival Programme (NESP) had as its main objectives:

1. an aggressive export drive in order to increase substantially foreign exchange earnings;
2. judicious use of available foreign exchange so as to enhance earning capacity as well as save on imports;
3. the elimination of food shortage through in-expensive small-scale village irrigation projects as well as the cultivation of drought-resistant food crops;
4. strict control of public spending in both Government and parastatals;
5. development plans should emphasize consolidation in contrast to expansion of new activities;
6. expansion of the scope and capacity for self-reliance in all sectors of the economy and raising the productivity of the workers and farmers through appropriate incentive schemes.

This was followed almost immediately by a three year Structural Adjustment Programme (SAP) for 1982/83 through 1984/85 announced in June, 1982. The intention was to restore balance in the economy and rationalize use of resources through domestic efforts and external assistance. The main objectives of the new effort at adjustment were to:

1. reduce the rate of inflation through adjusting the government budget to levels that are consistent with the growth of the national economy;
2. achieve balance of payments adjustment so as to alleviate the existing extreme foreign exchange scarcity and the consequent domestic production capacity underutilization;
3. achieve an increase in the productivity of parastatal enterprises and improvement in public sector management;

4. maintain the already achieved equity in income distribution as well as the provision of social services and basic needs to the majority of the population.

The SAP which started in 1983/84 undertook some bold moves towards reform. The currency was devalued by 40%. Producer prices were increased on average 50% and the grain purchasing monopoly of the National Milling Corporation was terminated. Crop authorities, which handled products from farm gate to export sale, were dissolved with cooperatives and export to marketing boards introduced. To attack the budget deficits subsidies were reduced and controlled prices on many agricultural inputs and consumer goods were raised. Government undertook cuts in size and froze hiring. To encourage exports and ease the foreign exchange shortage, export enterprises were allowed to retain a part of their foreign exchange earnings to use for approved import commodities. Also enterprises were allowed to import using their own funds, with the intent of indirectly repatriating funds held abroad.

By 1984/85 this reform effort was also stalled. The incentives to exporters of the one-time devaluation and increased producer prices were eliminated by continuing inflation. The Government was unwilling to proceed with other structural reforms and those introduced had been insufficient to stimulate major economic recovery and to stop the deterioration of the balance of payments.

Thus, after several years of initial efforts at economic reform the Tanzanian economy still faced serious problems. There had been a continuous decline in output and export earnings, leading to a reduction in the domestic saving rate and rapid fall in import volumes. With the fall in imports, shortages of inputs and consumer goods led to further decreases in production and a deterioration in the capital stock. There were high rates of inflation, large balance of payments deficits, increasing debt and accumulation of external payments arrears.

The latest and current effort at economic reform is the Government's Economic Recovery Program announced in the 1986/87 budget and presented to the Consultative Group meeting in June, 1986. A three year program covering the 1986/87 through 1988/89 budget years, it has as medium-term objectives to achieve a positive growth rate in per capita income and a low rate of inflation, while restoring a sustainable external balance of payments position. To achieve these objectives the following strategies were announced in June, 1986:

1. to increase the output of food and export crops through appropriate incentives for production, improving marketing structures, and increasing the resources available to agriculture;
2. to increase foreign exchange earnings from exports. The objective is to increase exports earnings by 11.6% in 1987, 19% in 1988 and 19% in 1989 from US$400 million expected in 1986;
3. to rehabilitate the important physical infrastructures of the country such as transport and communications, energy and water in support of the directly productive activities;
4. to increase capacity utilization of the existing industries and restore the sector's contribution to GDP through the allocation of foreign exchange to priority industries with capacity for increased efficiency and productivity. The target is to increase the level of capacity utilization from between 20 to 30% to a level of 60 to 70% by the end of the recovery program.

An initial set of reform measures was announced at the time of the 1986/87 Budget. These included an exchange rate adjustment from Tanzania shillings 17 to the U.S. dollar in mid-April 1986 to T Sh. 40 in June, 1986, with subsequent adjustments in the rate to be made gradually so that an equilibrium rate would be reached by mid-1988. Interest rates were increased, with the 12-month savings deposit rate rising 5 percentage points to a rate of 15%, the objective being to achieve a positive real interest rate by mid-1988. Nominal producer prices for agricultural exports were increased ranging from 30 to 80%. There was a start at decontrol of domestic prices (except for 12 identified categories of commodities) with one third decontrolled in July, 1986. Restrained fiscal and monetary policies were adopted while institutional and policy reforms sought to improve the efficiency of the agricultural, industrial and transport sectors. In support of these reforms the IMF approved an 18 month Stand-by arrangement on August 28, 1986 and the World Bank approved a Multisector Rehabilitation Credit on November 20, 1986. Other donors also contributed to supporting the reform efforts.

The medium-term strategies and policies of the Government under the Economic Recovery Program are spelled out in the Policy Framework Paper for 1987-90. Coming after 1 year of policy changes under the ERP, the Paper identifies the additional changes necessary, in Government's view, to achieve a sustainable rate of growth under conditions of external and internal balance. The principal structural adjustment measures the Government proposed to take during 1987-90 were:

1. the allocation of foreign exchange on a priority basis to the most efficient enterprises to ensure increases in industrial capacity utilization and widespread improvements in the efficiency of industrial production;

2. reductions in the cost and improvements in the responsiveness of the agricultural marketing system;
3. reduction in the budget deficit and improvements in the structure of revenue and expenditure, aimed in particular at increasing resources for the maintenance and rehabilitation of existing capital assets;
4. increased flexibility and improved efficiency in the financial system;
5. greater reliance on correct price signals.

To achieve these goals the Government is committed in the Policy Framework Paper to reinforce the policy and institutional reforms started during 1986/87 over the 3 year period 1987/88 to 1989/90. During this multi-year period the following accomplishments are to be achieved:

1. an average rate of economic growth of at least 4% per year, leading to a positive growth in per capita income of approximately 1% per year;
2. a reduction in the domestic rate of inflation from about 30% in 1986/87 to below 10%in 1989/90;
3. a reduction in the current account deficit (excluding government transfers) from 176% of merchandise exports in 1986/87 to 122% in 1989/90, leading to a restoration of a sustainable balance of payments position by the early 1990s.

This general description of the economic reform package being undertaken by Tanzania is supplemented below by a description of its major components. Tanzania has undertaken a comprehensive structural reform package which, if sustained, will correct many of the distortions in the economy and lead to a more sustainable basis for continuing growth. Coming after two decades of heavy direct government involvement in all segments of the economy, it requires a virtual revolution in the organization of the economy, its management, and the incentive structure allocating resources and motivating people's economic activities. The risks are high and it is not a foregone conclusion that the Government will maintain its political will to see the reforms through to the point when the economy should respond with sustainable growth.

What must be remembered in the face of these bold reform undertakings is how far the economy must go before it can function more efficiently. Further, it must be recognized that there is serious ideological and political opposition still in place to the types of reforms being undertaken and the type of more market-oriented economy which should result. There are numerous ways for the reform process to get off-track and either be delayed or reversed completely. In a real sense the easiest if boldest decisions have been made; what remains requires a long process of re-educating and convincing many middle level

bureaucrats and managers that direct administrative intervention and command control of the economy, a two decade fixture of the Tanzanian economy, must be replaced by indirect control through prices and market signals.

Another dimension of the problem relates to rehabilitation. The economy's capital stock has deteriorated severely, both in the public and private sectors. Some initial increases in production are possible with existing capital stock, but over the medium term massive investment is required to bring productive capacity to a point where it can be competitive. The same must be said of human capital, which must be made more efficient and productive.

It would appear that another five years at a minimum would be required to move the economy to an acceptable level of sustainable growth. This would require perseverance by the Government in continuing its reform efforts and continued and even increased assistance from donors.

## 2. KEY POLICY ELEMENTS

### 2.A. Exchange Rate Management

Essential to continued structural reform will be an active exchange rate policy linked to reform of the exchange and trade regime. The current exchange rate adjustments started in April, 1986. Achieving an equilibrium rate would be consistent over the 3 years of the Policy Framework Paper to achieve the target rate of economic growth and a current account position which can be financed without undue restrictions on current account transactions and related payments. As the exchange rate is moved toward equilibrium, the Government will start removing existing trade and exchange restrictions, relying increasingly on tariffs and other indirect economic levers to influence developments in the balance of payments.

### 2.B. Import Administration

As the exchange rate is adjusted towards a more realistic scarcity-based price for foreign exchange, the Government is committed to increase the proportion of imports free of exchange and trade restrictions. Starting January 1, 1988 Government planned to issue import licenses and foreign exchange "on demand" for selected commodity imports, then gradually broadening the coverage so as to include all industries and categories of goods consistent with the Economic Recovery Program by 1989/90. The Government carried cut a

study of the tariff system, with the assistance of the World Bank, which will be used to consider modifications in the tariff structure. Such changes in tariffs would be implemented in the 1988/89 fiscal year, attempting to maintain revenue neutrality across the changes made.

## 2.C. Export Policies

The Government plans to review periodically the export retention scheme and "own exchange" import scheme in light of other changes being made in the exchange rate and the import licensing system. An increasing proportion of imports are entering the country through these two schemes, thus making them major sources of supply for spare parts, intermediate goods, and consumer goods in the case of the "own exchange" scheme. The export retention scheme was revised in September, 1986 to encourage more optimal use of retained proceeds. The Policy Framework Paper reported that Government had made yet another review in August, 1987 and implemented new modifications regarding easier access to foreign exchange, a narrowing of retention rates, and a rationalization of the import and export lists and pattern of utilization. The Seed Capital Fund for new exporters supplements the retention scheme by assisting producers in obtaining initial imported inputs to start exporting. It further has its own retention provision, making the set of export incentives potentially overlapping and complex.

## 2.D. Industrial Policies

The industrial sector has severe problems which must be addressed. These include high import dependence, inadequate infrastructure, low capacity utilization, shortages of skilled manpower, and the existence of a large number of inefficient operations. On a selective basis sectors will have to be rehabilitated through access to raw materials, spare parts, and infrastructure. Productive enterprises will have to be selected and nurtured. Changes in the exchange rate, trade regime, and pricing measures will assist in this selection process. Also the Government and the World Bank were to undertake studies during 1987 to identify and map out an action program of restructuring and rationalizing the industrial sector. It was intended that such studies would be completed during 1988. When implemented, such a strategy should free up resources for use by the more efficient firms so that their output could expand rapidly and at low cost through better use of existing idle capacity. Combined with a public investment program which is to improve infrastructure serving production, there should be a rapid improvement in output and efficiency of the sectors selected for rehabilitation.

## 2.E. Price Regulation

Under the reform programs prior to and including the Economic Recovery Program, there has been a significant reduction in the number of products subject to price controls. This trend of decontrol is to continue. Except for a maximum of 12 categories of commodities considered essential consumer items, which comprise about 15% of the consumer price index, the Government has made a commitment to decontrol remaining commodities before the end of the fiscal year 1988/89. Some two-thirds of these products were decontrolled at the beginning of 1986/87 and 1987/88, with the remainder scheduled to be decontrolled at the beginning of the 1988/89 fiscal year. Efforts will be made during the period of decontrol to make rapid adjustments in controlled prices to avoid cost-price imbalances and growing subsidies. A related commitment is to reduce domestic distribution controls of commodities as their prices are decontrolled.

## 2.F. Fiscal Policies

During the 3 years of the Economic Recovery Program the Government is committed to annual overall deficits (with foreign grants treated as financing) of no more than 13% of GDP. This will assure large reductions in the need for domestic bank financing of Government debt, freeing up credit for productive sectors and reducing the rate of monetary expansion. Reliance on external borrowing will be constrained so that the external debt service ratio can be kept manageable. This will require improved tax administration and tight expenditure control.

The Government undertook significant measures during 1986/87 to increase revenue and improve the efficiency of the tax system. This included a conversion of most remaining specific sales taxes to an ad valorem basis, a reduction in the high marginal tax rates on personal income, and increases in local sales tax rates. These, combined with efforts to improve tax collection and administration, set a base for improved tax revenues. Such efforts will continue during the remainder of the Economic Recovery Program period.

In the 1986/87 budget there was a freeze on employment in the civil service except for teachers and medical personnel. Also the Government maintained its policy of no budget subsidies for parastatals. Paramount in expenditure control will be control of the wage bill to assure that it grows slower than the rate of inflation. In addition to the freeze on civil service hiring, there will be a need to rationalize the bureaucracy and retrench in appropriate places. A Presidential Salaries Commission has reviewed public sector salaries and will seek to maintain incentives among staffs of Central Government, local governments, and parastatals. The 1987/88

budget specified a real reduction in the wage bill and cuts in most other areas of discretionary recurrent expenditure. Improved management and control of the budgeting process and movement to a medium-term strategy for public expenditure will also be undertaken to help control expenditures and assure prioritization of public service provision.

Public infrastructure, especially roads, are in severe disrepair. Their rehabilitation will require a move away from new public capital investments to maintenance and rehabilitation of the existing capital stock. Without improvement of public infrastructure, production faces excessive costs related to use of public services and facilities, thus constraining increased efficiency in production. Therefore development expenditure will be confined to ongoing projects and rehabilitation, with new projects started only if absolutely essential for economic recovery.

Public enterprises play a large role in the Tanzanian economy. The Government's main objectives for these public producers will be to accelerate the restructuring process started in 1984/85 and to improve management and operations so that there will be adequate return on investment. Some agricultural parastatals have already been reorganized and rationalized. A detailed review of the parastatal sector will propose which public enterprises should be rehabilitated and an action plan will be prepared with a schedule for implementing policy and institutional changes.

## 2.G. Financial Sector Policies

The objectives in formulating a monetary and credit policy are to strengthen the balance of payments and reduce the inflation rate. As the fiscal deficit is reduced as a proportion of GDP, credit will increasingly become available for the productive sectors of the economy. Control will be tightened by use of quarterly domestic credit and government credit expansion targets. The interest rate was scheduled to be made positive in real terms by the middle of 1988, thereby reducing the need for credit allocation. By July, 1987 the one-year deposit rate had reached 80% of the inflation rate and continued progress towards positive real rates is inherent in the Economic Recovery Program.

## 2.H. Other Policies

Agricultural reform is key to improving the economic growth rate in Tanzania. Parastatal reforms will have a large impact on production and marketing. Progress is also needed to enhance the institutional structure for processing and

marketing Tanzania's export crops as improvements in agricultural production move forward. Without such ccmpanion improvements, export earnings will not keep pace with balance of payments projections. Some progress has begun relative to export crops. The responsibilities of what were formerly crop authorities have been assigned to newly constituted or created cooperatives and marketing boards. Private tea and sisal estates are now allowed to market directly instead of through marketing boards. Starting in 1987/88 cooperative unions and other large producers will be allowed to export directly rather than through agents. Further improvements in the roles of cooperatives and other private institutions related to agriculture will be made as the prominence of marketing boards is limited further. Action programs to stimulate production, marketing and export of cotton, coffee, tobacco and other crops will be completed by mid-1988, with implementation scheduled to start during the Economic Recovery Program period.

In addition to more efficient marketing institutions, the provision of adequate price incentives is necessary to increase agricultural production and exports. Over the life of the Economic Recovery Program the Government has made a commitment to increase official producer prices for export crops to a level equivalent to 60-70% of export prices (f.o.b.) or to ensure a real increase of at least 5% annually over the medium term, which ever is higher. Also Government will allow greater price differentials to reflect quality, thus encouraging production of higher grades of crops. Reduced administrative allocation of agricultural inputs was boosted by decontrol of the importation and distribution of all agricultural inputs other than fertilizers and seeds effective March, 1987.

DEVELOPMENT INDICATORS FOR TANZANIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 |
|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | |
| Current prices General Government Consumption | Local currency | 961.0 | 1,138.0 | 1,484.0 | 1,908.0 |
| Current prices Private Consumption, etc. | Local currency | 6,312.0 | 6,548.0 | 7,729.0 | 9,237.0 |
| Current prices Domestic Absorption | Local currency | 9,360.0 | 10,275.0 | 11,571.0 | 13,965.0 |
| Current prices Exports of Goods & NF Services | Local currency | 2,392.0 | 2,669.0 | 2,999.0 | 3,103.0 |
| Current prices GDP at Factor Cost | Local currency | 8,215.0 | 8,857.0 | 10,032.0 | 11,490.0 |
| Current prices Gross Domestic Product | Local currency | 9,172.0 | 9,814.0 | 11,172.0 | 13,103.0 |
| Current prices Gross Domestic Savings | Local currency | 1,859.0 | 2,138.0 | 2,639.0 | 1,958.0 |
| Current prices Gross National Product | Local currency | 9,148.0 | 9,794.0 | 11,162.0 | 12,112.0 |
| Current prices Gross National Savings | Local currency | 1,946.4 | 2,151.6 | 1,999.5 | 2,001.3 |
| Current prices Imports of Goods & NF Services | Local currency | 2,579.0 | 3,130.0 | 3,398.0 | 3,905.0 |
| Current prices Fixed Investment | Local currency | 1,878.0 | 2,373.0 | 2,364.0 | 2,600.0 |
| Current prices Gross Domestic Investment | Local currency | 2,187.0 | 2,591.0 | 2,438.0 | 2,760.0 |
| Current prices Net Factor Income (+) or Payments | Local currency | (25.0) | (20.0) | (10.0) | 9.0 |
| Current prices Indirect Taxes Net of Subsidies | Local currency | 956.0 | 957.0 | 1,140.0 | 1,813.0 |
| Current prices Resource Balance | Local currency | (197.0) | 481.0) | (399.0) | (8[illegible].0) |
| Current prices Value Added in Agriculture | Local currency | 3,381.0 | 3,492.0 | 4,020.0 | 4,539.0 |
| Current prices Value Added in Industry | Local currency | 1,421.0 | 1,562.0 | 1,804.0 | 2,135.0 |
| Current prices Value Added in Manufacturing | Local currency | 823.0 | 847.0 | 1,144.0 | 1,260.0 |
| Current prices Value Added in Services, etc. | Local currency | 3,413.0 | 3,813.0 | 4,208.0 | 4,842.0 |
| GOVERNMENT | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | Local currency | 0.0 | 0.0 | (554.0 | (745.0) |
| Government Capital Payments | Local currency | 0.0 | 0.0 | 751.0 | 952.0 |
| Government Current Budget Balance | Local currency | 0.0 | 0.0 | 197.0 | 207.0 |
| Government Current Expenditure | Local currency | 0.0 | 0.0 | 1,596.0 | 2,087.0 |
| Government Current Revenue | Local currency | 0.0 | 0.0 | 1,793.0 | 2,294.0 |
| MONEY | | | | | |
| Money Supply, Broad, Defined | Local currency | 2,218.5 | 2,624.4 | 3,089.2 | 3,624.6 |
| Money as Means of Payment | Local currency | 1,678.0 | 2,158.5 | 2,[illegible]3.3 | 2,745.[illegible] |
| Quasi-Monetary Liabilities | Local currency | 541.5 | 565.9 | 765.4 | 879.6 |
| Currency Outside Banks | Local currency | 816.4 | 985.4 | 1,[illegible]1.1 | 1,[illegible]8.6 |
| Demand Deposits | Local currency | 860.6 | 1,072.1 | 1,125.7 | 1,549.4 |
| TRADE | | | | | |
| Current prices Exports of Manufactures | US $ | 31.8 | 44.9 | 37.6 | 51.4 |
| Current prices Exports of Nonfuel Primary Products | US $ | 190.2 | 184.4 | 231.7 | 245.6 |
| Current prices Value of Exports | US $ | 238.3 | 251.9 | 300.1 | 340.6 |
| Current prices Imports of Fuels | US $ | 22.2 | 30.1 | 34.9 | 48.3 |
| Current prices Imports of Manufactures | US $ | 203.9 | 237.1 | 282.4 | 351.1 |
| Current prices Imports of Nonfuel Primary Products | US $ | 24.4 | 30.7 | 47.0 | 47.7 |
| Current prices Value of Imports, cif | US $ | 271.5 | 337.9 | 363.4 | 447.4 |
| LOANS AND DEBT | | | | | |
| Long-Term Interest Payments | US $, as per IBRD DRS | 7.5 | 7.8 | 6.0 | 10.9 |
| Disbursements of Long-Term Loans | US $, as per IBRD DRS | 56.2 | 62.2 | 119.7 | 120.5 |
| Net Long-Term Loans | US $, as per IBRD DRS | 48.7 | 46.8 | 72.[illegible] | 88.2 |
| Repayments on Long-Term Loans | US $, as per IBRD DRS | 12.9 | 14.4 | 46.7 | 32.3 |
| Identified Short-Term Debt | US $, end of year | 0.0 | 0.0 | 0.[illegible] | .9 |
| Public/Publicly Guar. Long-Term Debt | US $, IBRD DRS - end of y | 256.3 | 306.7 | 371.8 | 454.2 |
| Public Long Term Debt, IBRD & IDA | US $, IBRD DRS - end of y | 36.3 | 52.6 | 73.1 | 90.5 |
| Public Long Term Debt, Official Creditors | US $, IBRD DRS - end of y | 147.2 | 192.2 | 275.8 | 285.5 |
| Public Long Term Debt, Private Creditors | US $, IBRD DRS - end of y | 103.0 | 114.5 | 96.0 | 78.7 |
| BALANCE OF PAYMENTS | | | | | |
| Net Current Transfers | US $, BoP | 12.8 | 5.8 | (4.1) | 4.9 |
| Merchandise Exports, fob | US $, BoP | 245.9 | 262.0 | 316.2 | 367.6 |
| Exports of Goods & Services | US $, BoP | 321.8 | 349.6 | 411.7 | 455.8 |
| Non-Factor Services Receipts | US $, BoP | 65.2 | 78.0 | 85.4 | 72.1 |
| Factor Service Receipts | US $, BoP | 10.7 | 9.6 | 10.1 | 20.[illegible] |

DEVELOPMENT INDICATORS FOR TANZANIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
|---|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | | |
| Current prices General Government Consumption | 2,760.0 | 3,276.0 | 3,989.0 | 4,308.0 | 5,585.0 | 5,956.0 | 5,494.0 |
| Current prices Private Consumption, etc. | 12,955.0 | 14,096.0 | 15,377.0 | 17,979.0 | 23,363.0 | 25,497.0 | 32,486.0 |
| Current prices Domestic Absorption | 18,331.0 | 21,376.0 | 24,963.0 | 29,811.0 | 37,042.0 | 40,911.0 | 47,665.0 |
| Current prices Exports of Goods & NF Services | 3,468.0 | 3,771.0 | 5,297.0 | 5,627.0 | 4,892.0 | 5,131.0 | 5,540.0 |
| Current prices GDP at Factor Cost | 14,010.0 | 16,998.0 | 21,652.0 | 25,698.0 | 28,582.0 | 32,317.0 | 37,454.0 |
| Current prices Gross Domestic Product | 15,994.0 | 19,011.0 | 24,419.0 | 28,858.0 | 32,1e9.0 | 36,283.0 | 42,118.0 |
| Current prices Gross Domestic Savings | 1,179.0 | 1,639.0 | 5,053.0 | 6,581.0 | 3,221.0 | 4,830.0 | 4,178.0 |
| Current prices Gross National Product | 15,996.0 | 18,988.0 | 24,319.0 | 28,780.0 | 32,124.0 | 36,214.0 | 42,006.0 |
| Current prices Gross National Savings | 1,532.0 | 2,368.0 | 5,416.3 | 7,455.0 | 4,448.6 | 6,208.0 | 4,497.7 |
| Current prices Imports of Goods & NF Services | 5,8[illegible]5.0 | 6,[illegible]26.0 | 5,941.0 | 6,[illegible]7.0 | 9,565.0 | 9,759.0 | 11,087.0 |
| Current prices Fixed Investment | 3,032.0 | 3,540.0 | 5,159.0 | 6,663.0 | 7,330.0 | 8,592.0 | 8,630.0 |
| Current prices Gross Domestic Investment | 3,516.0 | 4,004.0 | 5,597.0 | 7,524.0 | 8,094.0 | 9,458.0 | 9,685.0 |
| Current prices Net Factor Income (+) or Payments | 2.0 | (25.0) | ([illegible]0.0 | (86.0) | (45.0) | (69.0) | (112.0) |
| Current prices Indirect Taxes Net of Subsidies | 1,984.0 | 2,023.0 | 2,767.0 | 3,170.0 | 3,587.0 | 3,966.0 | 4,664.0 |
| Current prices Resource Balance | (2,337.0) | (2,365.0) | (544.0) | (943.0) | (4,873.0) | (4,628.0) | (5,547.0 |
| Current prices Value Added in Agriculture | 5,440.0 | 7,037.0 | 10,014.0 | 11,131.0 | 12,506.0 | 14,728.0 | 16,[illegible]6.0 |
| Current prices Value Added in Industry | 2,408.0 | 2,756.0 | 4,128.0 | 4,895.0 | 5,400.0 | 5,856.0 | 6,348.0 |
| Current prices Value Added in Manufacturing | 1,482.0 | 1,774.0 | 2,911.0 | 3,287.0 | 3,859.0 | 3,868.0 | 4,097.0 |
| Current prices Value Added in Services, etc. | 6,162.0 | 7,225.0 | 7,510.0 | 9,672.0 | 10,676.0 | 11,933.0 | 14,470.0 |
| GOVERNMENT | | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (917.0) | (1,891.0) | (1,527.0) | (1,542.0) | (2,365.0) | (5,376.0) | (3,527.0 |
| Government Capital Payments | 1,225.0 | 1,755.0 | 1,620.0 | 2,226.0 | 3,284.0 | 4,543.0 | 4,534.0 |
| Government Current Budget Balance | 308.1 | (136.0) | 93.0 | 684.0 | 919.0 | (833.0) | 997.0 |
| Government Current Expenditure | 2,969.0 | 4,373.0 | 4,300.0 | 5,222.0 | 5,871.0 | 8,214.0 | 7,542.0 |
| Government Current Revenue | 3,277.1 | 4,237.0 | 4,393.0 | 5,906.0 | 6,790.0 | 7,381.0 | 8,539.0 |
| MONEY | | | | | | | |
| Money Supply [illegible] Defined | 4,462.5 | 5,553.5 | 6,94[illegible].7 | 8,246.8 | 9,396.9 | 13,808.7 | 17,519.9 |
| Money as Means of Payment | 3,456.7 | 4,283.7 | 5,331.7 | 6,382.8 | 6,827.2 | 10,437.6 | 13,34[illegible].0 |
| Quasi-Monetary Liabilities | 1,005.8 | 1,268.8 | 1,615.0 | 1,864.0 | 2,569.7 | 3,371.1 | 4,173.9 |
| Currency Outside Banks | 1,517.4 | 1,755.8 | 2,071.1 | 2,379.7 | 2,915.4 | 4,055.4 | 5,245.6 |
| Demand Deposits | 1,939.3 | 2,527.9 | 3,260.6 | 4,003.1 | 3,911.8 | 6,382.2 | 8,160.4 |
| TRADE | | | | | | | |
| Current prices Exports of Manufactures | 54.6 | 45.9 | 57.1 | 49.9 | 58.6 | 97.0 | 82.6 |
| Current prices Exports of Nonfuel Primary Products | 292.4 | 283.1 | 412.0 | 491.3 | 403.0 | 397.5 | 427.9 |
| Current prices Value of Exports | 387.8 | 348.7 | 490.4 | 559.0 | 472.3 | 511.4 | 536.6 |
| Current prices Imports of Fuels | 140.7 | 77.4 | 120.0 | 96.9 | 126.3 | 149.1 | 257.2 |
| Current prices Imports of Manufactures | 443.3 | 481.0 | 427.2 | 527.3 | 893.5 | 844.3 | 772.3 |
| Current prices Imports of Nonfuel Primary Products | 176.1 | 159.8 | 98.1 | 105.9 | 121.5 | 83.3 | 197.2 |
| Current prices Value of Imports, cif | 760.1 | 718.2 | 645.3 | 730.1 | 1,141.3 | 1,076.7 | 1,226.6 |
| LOANS AND DEBT | | | | | | | |
| Long-Term Interest Payments | 11.9 | 14.5 | 16.1 | 21.7 | 24.9 | 32.1 | 41.8 |
| Disbursements of Long-Term Loans | 164.4 | 254.2 | 382.7 | 257.8 | 254.9 | 347.7 | 410.2 |
| Net Long-Term Loans | 137.0 | 222.3 | 354.3 | 221.4 | 218.8 | 296.9 | 354.8 |
| Repayments on Long-Term Loans | 27.4 | 31.9 | 28.4 | 36.4 | 36.1 | 50.8 | 55.4 |
| Identified Short-Term Debt | 0.0 | 0.0 | 0.0 | 159.0 | 253.0 | 250.0 | 303.0 |
| Public/Publicly Guar. Long-Term Debt | 630.6 | 817.2 | 1,184.3 | 1,445.9 | 1,576.2 | 1,734.5 | 2,041.5 |
| Public Long Term Debt, IBRD & IDA | 104.2 | 161.2 | 199.0 | 258.4 | 307.9 | 376.0 | 439.8 |
| Public Long Term Debt, Official Creditors | 558.3 | 747.9 | 1,100.4 | 1,296.5 | 1,357.4 | 1,424.9 | 1,583.4 |
| Public Long Term Debt, Private Creditors | 72.3 | 69.3 | 83.9 | 149.4 | 218.8 | 309.6 | 458.1 |

DEVELOPMENT INDICATORS FOR TANZANIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1981 | 1982 | 1983 | 1984 | 1985 | 198e |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | 6,105.0 | 8,046.0 | 9,445.0 | 10,779.0 | 11,427.0 | 12,447.0 |
| Current prices Private Consumption, etc. | 37,035.0 | 42,261.0 | 52,974.0 | 70,551.1 | 94,779.9 | 138,270.7 |
| Current prices Domestic Absorption | 53,270.0 | 62,542.0 | 72,005.1 | 93,275.2 | 124,033.9 | 176,595.7 |
| Current prices Exports of Goods & NF Services | 5,994.0 | 4,546.0 | 5,111.0 | 6,231.0 | 7,453.0 | 14,580.4 |
| Current prices GDP at Factor Cost | 43,906.0 | 52,546.0 | 61,[illegible]8.0 | 77,102.1 | 101,506.1 | 136,029.1 |
| Current prices Gross Domestic Product | 49,102.0 | 58,226.0 | 68,255.0 | 86,053.1 | 114,007.1 | 154,150.0 |
| Current prices Gross Domestic Savings | 5,962.0 | 7,519.0 | 5,978.0 | 4,751.9 | 7,793.2 | 7,432.4 |
| Current prices Gross National Product | 48,926.0 | 57,995.0 | 68,[illegible]71.1 | 83,[illegible]26.1 | 107,387.1 | 139,871.1 |
| Current prices Gross National Savings | 5,276.9 | 7,923.8 | 5,[illegible]94.8 | (2[illegible]6.6) | (3[illegible]6.4) | (17,472.6) |
| Current prices Imports of Goods & NF Services | 10,162.0 | 9,[illegible]62.0 | 9,[illegible]31.0 | 13,543.0 | 17,481.0 | 37,026.0 |
| Current prices Fixed Investment | 8,632.0 | 10,825.0 | 7,752.0 | 11,[illegible]71.0 | 15,[illegible]15.0 | 22,391.0 |
| Current prices Gross Domestic Investment | 10,130.0 | 12,[illegible]35.1 | 9,589.0 | 11,[illegible]75.0 | 17,820.0 | 25,878.0 |
| Current prices Net Factor Income (+) or Payments | (176.0) | (231.0 | (184.0) | (2,[illegible]27.0) | (6,620.0) | (14,279.0) |
| Current prices Indirect Taxes Net of Subsidies | 5,196.0 | 5,[illegible]80.0 | 7,247.0 | 8,951.0 | 12,591.0 | 16,121.0 |
| Current prices Resource Balance | (4,168.0) | (4,316.0) | (3,[illegible]50.0) | (7,[illegible]12.0) | (10,027.0) | (22,446.0) |
| Current prices Value Added in Agriculture | 20,338.0 | 26,449.0 | 32,[illegible]27.0 | 41,[illegible]95.0 | 56,[illegible]35.0 | 79,175.1 |
| Current prices Value Added in Industry | 6,[illegible]37.0 | 6,911.0 | 6,[illegible]84.0 | 8,418.0 | 10,[illegible]e0.0 | 12,939.0 |
| Current prices Value Added in Manufacturing | 4,591.0 | 4,361.0 | 4,[illegible]e9.0 | 5,[illegible]9.0 | 6,[illegible]e1.0 | 8,164.0 |
| Current prices Value Added in Services, etc. | 16,731.0 | 19,186.0 | 21,287.0 | 27,[illegible]89.0 | 35,[illegible]11.0 | 47,915.0 |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (3,270.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Capital Payments | 4,574.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Budget Balance | 1,304.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Expenditure | 9,097.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Revenue | 10,311.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MONEY | | | | | | |
| Money Supply, Broadly Defined | 20,694.8 | 24,726.4 | 24,[illegible]11.5 | 18,[illegible]87.2 | 0.0 | 0.0 |
| Money as Means of Payment | 15,401.2 | 18,[illegible]22.0 | 20,[illegible]64.2 | 2,[illegible]78.2 | 25,[illegible]76.7 | 0.0 |
| Quasi-Monetary Liabilities | 5,293.6 | 6,405.4 | 4,[illegible]47.3 | 711.0 | 0.0 | 0.0 |
| Currency Outside Banks | 5,816.0 | 7,[illegible]93.2 | 8,[illegible]94.2 | 11,[illegible]72.6 | 12,719.1 | 15,[illegible]39.7 |
| Demand Deposits | 9,785.2 | 10,[illegible]34.3 | 12,[illegible]76.1 | 16,[illegible]16.7 | 12,[illegible]55.6 | 0.0 |
| TRADE | | | | | | |
| Current prices Exports of Manufactures | 70.9 | 56.9 | 42.0 | 49.0 | 45.0 | 58.2 |
| Current prices Exports of Nonfuel Primary Products | 493.4 | 35[illegible].2 | 3[illegible]1.6 | 2[illegible]4.6 | 2[illegible]5.2 | 282.7 |
| Current prices Value of Exports | 5e4.4 | 413.0 | 379.0 | 3[illegible]9.6 | 254.9 | 343.[illegible] |
| Current prices Imports of Fuels | 362.6 | 297.2 | 2[illegible]9.7 | 2[illegible]9.9 | 246.4 | 1[illegible]4.7 |
| Current prices Imports of Manufactures | 711.7 | 71[illegible].4 | 4[illegible]4.2 | 5[illegible]5.6 | e[illegible]3.3 | 8e[illegible].1 |
| Current prices Imports of Nonfuel Primary Products | 102.0 | 116.3 | 8e.1 | 81.7 | 68.2 | 91.1 |
| Current prices Value of Imports, cif | 1,17e.2 | 1,1[illegible]4.[illegible] | 7[illegible].2 | 847.2 | 1,[illegible]28.0 | 1,[illegible]79.[illegible] |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | 39.3 | 39.[illegible] | 34.5 | 28.5 | 21.8 | 2e.4 |
| Disbursements of Long-Term Loans | 357.7 | 360.2 | 2[illegible]9.8 | 2[illegible]4.2 | 18[illegible].2 | 154.6 |
| Net Long-Term Loans | 293.4 | 31e.[illegible] | 2[illegible]6.5 | 1e[illegible].4 | 1[illegible].1 | 141.6 |
| Repayments on Long-Term Loans | 64.3 | 44.2 | 42.3 | 39.8 | 43.2 | 42.8 |
| Identified Short-Term Debt | 296.0 | 402.9 | 44[illegible].[illegible] | 554.0 | 6[illegible].0 | 260.2 |
| Public/Publicly Guar. Long-Term Debt | 2,209.9 | 2,384.7 | 2,670.5 | 2,e61.7 | 3,075.1 | 3,649.7 |
| Public Long Term Debt, IBRD & IDA | 528.9 | 625.5 | 6[illegible].5 | 749.0 | 818.0 | 894.4 |
| Public Long Term Debt, Official Creditors | 1,750.7 | 1,863.4 | 2,15[illegible].[illegible] | 2,[illegible]7.4 | 2,486.1 | 3,2e4.2 |
| Public Long Term Debt, Private Creditors | 459.2 | 521.[illegible] | 5[illegible].9 | 5[illegible].3 | 587.0 | 385.5 |

DEVELOPMENT INDICATORS FOR TANZANIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 |
|---|---|---|---|---|---|
| Factor Service Payments | US $, BoP | 14.2 | 12.8 | 11.8 | 18.8 |
| Merchandise Imports, fob | US $, BoP | 283.5 | 345.3 | 359.8 | 437.8 |
| Imports of Goods & Services | US $, BoP | 370.2 | 455.3 | 473.3 | 568.2 |
| Non-Factor Services Payments | US $, BoP | 72.5 | 97.1 | 101.6 | 111.6 |
| Increase (-) in Reserves | US $, BoP | 20.6 | 13.2 | (50.0) | (32.0) |
| Other Net Long-Term Inflows | US $, BoP | 26.3 | 88.9 | 36.4 | 51.3 |
| Current Account Balance | US $, BoP | (35.6) | (99.8) | (65.7) | (107.5) |
| Net Long-Term Capital Inflow | US $, BoP | 71.6 | 137.7 | 108.4 | 139.5 |
| Other Net Capital Inflows | US $, BoP | (56.6) | (51.1) | 7.3 | 0.1 |
| INDICIES | | | | | |
| Terms of Trade Index | US dollar-based | 106.5 | 98.8 | 95.3 | 118.8 |
| Constant price Exports, fob | 1980 US $ | 1,035.4 | 1,041.5 | 1,192.1 | 889.1 |
| Constant price Imports, cif | 1980 US $ | 1,256.5 | 1,385.9 | 1,376.1 | 1,375.2 |
| Domestic Absorption Deflator | 1980=100 | 32.3 | 34.1 | 36.8 | 40.7 |
| GDP Deflator | 1980=100 | 30.4 | 31.5 | 33.4 | 37.3 |
| Agricultural Value Added Deflator | 1980=100 | 22.5 | 23.5 | 25.9 | 28.0 |
| Industrial Value Added Deflator | 1980=100 | 30.7 | 29.5 | 32.5 | 37.1 |
| Manufacturing Real Output per Employee | 1980=100 | 122.4 | 135.9 | 118.1 | 135.7 |
| Manufacturing Real Earnings per Employee | 1980=100 | 177.2 | 167.1 | 167.5 | 180.0 |
| Fuel Export Price Index | 1980=100, US dollar-based | 4.3 | 5.6 | 6.2 | 8.9 |
| Manufactures Export Price Index | 1980=100, US dollar-based | 37.5 | 36.5 | 38.5 | 49.5 |
| Nonfuel Primary Products Export Price Index | 1980=100, US dollar-based | 33.3 | 34.8 | 38.6 | 54.6 |
| Export Price Index, fob | 1980=100, US dollar-based | 22.0 | 24.1 | 25.2 | 38.6 |
| Import Price Index, cif | 1980=100, US dollar-based | 21.6 | 24.4 | 26.4 | 33.5 |
| Conversion Factor, Annual Average | Local currency per U.S. d | 7.1 | 7.1 | 7.1 | 7.0 |

DEVELOPMENT INDICATORS FOR TANZANIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
|---|---|---|---|---|---|---|---|
| BALANCE OF PAYMENTS | | | | | | | |
| Net Current Transfers | 49.2 | 102.4 | 55.3 | 116.1 | 165.0 | 176.1 | 57.5 |
| Merchandise Exports, fob | 399.2 | 372.9 | 491.4 | 538.6 | 476.4 | 545.7 | 507.6 |
| Exports of Goods & Services | 488.4 | 491.2 | 633.3 | 656.5 | 625.1 | 697.2 | 710.5 |
| Non-Factor Services Receipts | 71.9 | 109.4 | 135.4 | 106.9 | 130.0 | 139.9 | 185.6 |
| Factor Service Receipts | 17.3 | 9.0 | 7.4 | 11.0 | 18.8 | 11.5 | 17.3 |
| Factor Service Payments | 17.2 | 12.1 | 25.6 | 31.9 | 24.8 | 20.2 | 60.3 |
| Merchandise Imports, fob | 660.4 | 670.0 | 555.6 | 646.8 | 992.5 | 960.7 | 1,065.7 |
| Imports of Goods & Services | 822.8 | 823.6 | 722.2 | 842.8 | 1,263.9 | 1,218.5 | 1,405.8 |
| Non-Factor Services Payments | 145.3 | 141.4 | 141.0 | 164.2 | 245.6 | 237.6 | 276.8 |
| Increase (-) in Reserves | 137.4 | 15.2 | (22.2) | (160.2) | 170.4 | [illegible] | [illegible] |
| Other Net Long-Term Inflows | (12.3) | (15.9) | (251.9) | (95.1) | (66.6) | [illegible] | [illegible] |
| Current Account Balance | (285.3) | (230.0) | (33.7) | (70.2) | (472.9) | (345.2) | (637.6) |
| Net Long-Term Capital Inflow | 124.7 | 206.4 | 102.4 | 126.3 | 152.2 | 241.7 | 271.2 |
| Other Net Capital Inflows | 23.2 | 6.3 | 46.5 | 104.0 | 150.2 | 45.8 | 300.6 |
| INDICIES | | | | | | | |
| Terms of Trade Index | 107.9 | 92.8 | 126.3 | 140.3 | 115.1 | 114.9 | [illegible] |
| Constant price Exports, fob | 635.5 | 614.3 | 677.3 | 622.4 | 563.5 | 523.2 | 536.6 |
| Constant price Imports, cif | 1,343.5 | 1,173.6 | 1,125.4 | 1,140.4 | 1,566.7 | 1,265.5 | 1,226.6 |
| Domestic Absorption Deflator | 49.5 | 57.5 | 66.4 | 76.5 | 88.6 | 96.6 | 100.0 |
| GDP Deflator | 44.6 | 51.0 | 62.9 | 74.6 | 82.1 | 89.8 | 100.0 |
| Agricultural Value Added Deflator | 35.0 | 41.6 | 56.6 | 68.9 | 78.7 | 92.3 | 100.0 |
| Industrial Value Added Deflator | 42.0 | 48.8 | 66.2 | 80.4 | 89.7 | 88.8 | 100.0 |
| Manufacturing Real Output per Employee | 132.2 | 0.0 | 0.0 | 0.0 | 77.8 | 109.5 | [illegible] |
| Manufacturing Real Earnings per Employee | 174.9 | 0.0 | 0.0 | 0.0 | 115.1 | 121.0 | 100.0 |
| Fuel Export Price Index | 36.7 | 35.7 | 39.4 | 42.0 | 42.3 | 61.0 | 100.0 |
| Manufactures Export Price Index | 67.2 | 66.1 | 66.7 | 71.7 | 76.1 | 90.0 | 100.0 |
| Nonfuel Primary Products Export Price Index | 66.0 | 57.8 | 76.8 | 96.3 | 87.4 | 102.5 | 100.0 |
| Export Price Index, fob | 61.0 | 56.8 | 72.4 | 89.8 | 83.8 | 97.7 | 100.0 |
| Import Price Index, cif | 56.6 | 61.2 | 57.3 | 64.0 | 72.8 | 85.1 | 100.0 |
| Conversion Factor, Annual Average | 7.1 | 7.4 | 8.4 | 8.3 | 7.7 | 8.2 | 8.2 |

DEVELOPMENT INDICATORS FOR TANZANIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | (61.5) | 25.4 | 15.9 | (150.8) | (116.8) | (202.6) |
| Merchandise Exports, fob | 689.1 | 413.0 | 378.6 | 372.9 | 324.8 | 345.5 |
| Exports of Goods & Services | 909.4 | 530.3 | 486.7 | 496.9 | 440.9 | 453.6 |
| Non-Factor Services Receipts | 206.0 | 114.5 | 105.8 | 121.1 | 112.3 | 99.3 |
| Factor Service Receipts | 14.3 | 2.8 | 1.2 | 3.0 | 3.9 | 8.8 |
| Factor Service Payments | 50.5 | 34.0 | 29.8 | 39.1 | 14.9 | 8.3 |
| Merchandise Imports, fob | 1,037.4 | 984.6 | 887.0 | 756.7 | 804.8 | 774.3 |
| Imports of Goods & Services | 1,329.2 | 1,178.6 | 915.7 | 934.6 | 1,035.5 | 987.6 |
| Non-Factor Services Payments | 241.3 | 160.0 | 144.8 | 186.9 | 215.8 | 205.0 |
| Increase (-) in Reserves | (2.6) | 1.8 | (41.4) | (32.6) | 6.0 | (22.9) |
| Other Net Long-Term Inflows | (180.3) | (0.2) | 2.6 | (3.3) | 2.8 | 31.3 |
| Current Account Balance | (481.5) | (622.9) | (419.1) | (639.7) | (711.3) | (736.6) |
| Net Long-Term Capital Inflow | 315.0 | 501.2 | 476.1 | 332.7 | 273.3 | 396.1 |
| Other Net Capital Inflows | 169.1 | 120.1 | (24.6) | 338.6 | 432.1 | 364.4 |
| INDICIES | | | | | | |
| Terms of Trade Index | 85.2 | 88.4 | 91.1 | 96.4 | 93.8 | 104.1 |
| Constant price Exports, fob | 677.9 | 479.4 | 441.0 | 380.2 | 367.0 | 360.5 |
| Constant price Imports, cif | 1,132.7 | 1,163.5 | 842.6 | 914.3 | 1,127.9 | 1,180.7 |
| Domestic Absorption Deflator | 117.8 | 137.0 | 164.9 | 202.9 | 257.3 | 335.1 |
| GDP Deflator | 118.2 | 139.0 | 165.7 | 204.2 | 259.9 | 337.0 |
| Agricultural Value Added Deflator | 121.1 | 155.4 | 197.2 | 247.1 | 325.3 | 436.3 |
| Industrial Value Added Deflator | 116.6 | 119.0 | 144.8 | 163.8 | 205.4 | 268.6 |
| Manufacturing Real Output per Employee | 81.6 | 86.1 | 81.1 | 80.5 | 85.8 | 0.0 |
| Manufacturing Real Earnings per Employee | 80.0 | 66.8 | 61.4 | 49.2 | 0.0 | 0.0 |
| Fuel Export Price Inde | 112.5 | 101.6 | 90.5 | 96.2 | 87.5 | 45.0 |
| Manufactures Export Price Index | 95.1 | 94.6 | 96.7 | 89.3 | 89.0 | 103.2 |
| Nonfuel Primary Products Export Price Index | 87.1 | 84.7 | 85.3 | 89.3 | 81.7 | 94.5 |
| Export Price Index, fob | 88.5 | 86.1 | 85.9 | 89.3 | 83.0 | 95.1 |
| Import Price Index, cif | 103.9 | 97.5 | 94.2 | 92.7 | 91.5 | 91.4 |
| Conversion Factor, Annual Average | 8.2 | 9.3 | 11.1 | 15.3 | 17.5 | 32.7 |

SOCIAL INDICATORS FOR TANZANIA
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | SQ KILOM. | 945 | 945 | 945 | 945 | 945 | 945 |
| Total agricultural land | SQ KILOM. | 398 | 399 | 399 | 399 | 400 | 400 |
| Arable land | SQ KILOM. | 39 | 39 | 39 | 40 | 40 | 40 |
| Pasture land | SQ KILOM. | 350 | 350 | 350 | 350 | 350 | 350 |
| POPULATION | | | | | | | |
| Total population, (interp series) | NUMBER | 13,5[illegible],001 | 13,967,001 | 14,437,001 | 14,922,001 | 15,424,001 | 15,942,001 |
| Population, female | NUMBER | 6,839,915 | 7,068,259 | 7,304,604 | 7,545,438 | 7,800,769 | 8,061,086 |
| Population, male | NUMBER | 6,673,087 | 6,898,743 | 7,132,398 | 7,373,564 | 7,623,233 | 7,880,916 |
| Population, age 0-14 | NUMBER | 6,061,040 | 6,290,120 | 6,528,085 | 6,774,569 | 7,030,563 | 7,295,701 |
| Population, age 15-64 | NUMBER | 7,031,597 | 7,241,766 | 7,458,516 | 7,681,246 | 7,910,899 | 8,146,872 |
| Population, age 65+ | NUMBER | 420,365 | 435,117 | 450,401 | 466,137 | 482,540 | 499,429 |
| Urban population total | NUMBER | 932,397 | 1,020,798 | 1,117,640 | 1,223,601 | 1,339,669 | 1,466,665 |
| Urban population as % total | PERCENT | 7 | 7 | 8 | 8 | 9 | 9 |
| Agriculture population density | NUMBER | 33,935 | 35,040 | 36,183 | 37,361 | 38,570 | 39,825 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 49 | 49 | 49 | 49 | 50 | 50 |
| Crude death rate (interp series) | NUMBER | 20 | 19 | 19 | 19 | 18 | 18 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 132 | 131 | 130 | 129 | 128 | 127 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 26 | 0 | 0 | 0 | 0 | 0 |
| Life expectancy, total | NUMBER | 45 | 45 | 46 | 46 | 47 | 47 |
| Life expectancy, males (interp series) | NUMBER | 44 | 44 | 44 | 45 | 45 | 46 |
| Life expectancy, female | NUMBER | 47 | 47 | 48 | 48 | 49 | 49 |
| Total fertility rate (interp series) | NUMBER | 6 | 6 | 6 | 6 | 6 | 6 |
| Contraceptive acceptors | NUMBER | 0 | 0 | 0 | 0 | 0 | 33,600 |
| Contraceptive users | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, rural | NUMBER | 0 | 0 | 0 | 0 | 0 | 5 |
| Persons per household, urban | NUMBER | 0 | 0 | 0 | 0 | 0 | |
| HEALTH AND NUTRITION * | | | | | | | |
| Number of physicians | NUMBER | 596 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 23 | 0 | | 0 | | |
| Number of nurses | NUMBER | 0 | 0 | 0 | 4,400 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,009 | 1,909 | 1,917 | 1,944 | 2,071 | 2,[illegible] |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 45 | 43 | 43 | 43 | 46 | 50 |
| Safe water access as % of population | PERCENT | 13 | 0 | 0 | 0 | 0 | 39 |
| Safe water, rural | PERCENT | 9 | 0 | 0 | 0 | 0 | 36 |
| Safe water, urban | PERCENT | 61 | 0 | 0 | 0 | 0 | 88 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | PERCENT | 34 | 0 | 0 | 0 | 0 | 53 |
| Gross enrollment ratio, male | PERCENT | 41 | 0 | 0 | 0 | 0 | 62 |
| Gross enrollment ratio, female | PERCENT | 27 | 0 | 0 | 0 | 0 | 44 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | NUMBER | 7,176,001 | 7,386,201 | 7,596,401 | 7,806,601 | 8,016,801 | 8,227,001 |
| Female labor force as % total labor force | PERCENT | 51 | 51 | 50 | 50 | 50 | 50 |

SOCIAL INDICATORS FOR TANZANIA
Based Upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | 945 | 945 | 945 | 945 | 945 | 945 | 945 |
| Total agricultural land | 401 | 401 | 401 | 401 | 402 | 402 | 402 |
| Arable land | 41 | 41 | 41 | 41 | 41 | 41 | 41 |
| Pasture land | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| POPULATION | | | | | | | |
| Total population, (interp series) | 16,478,001 | 17,032,016 | 17,605,024 | 18,171,016 | 18,757,024 | 19,407,024 | 20,080,016 |
| Population, female | 8,330,279 | 8,608,451 | 8,896,100 | 9,180,590 | 9,550,546 | 9,881,508 | 10,224,181 |
| Population, male | 8,147,722 | 8,423,551 | 8,708,912 | 8,990,412 | 9,206,456 | 9,525,494 | 9,855,821 |
| Population, age 0-14 | 7,579,815 | 7,874,514 | 8,180,268 | 8,495,813 | 8,800,715 | 9,118,653 | 9,448,736 |
| Population, age 15-64 | 8,382,017 | 8,624,054 | 8,873,355 | 9,117,729 | 9,368,969 | 9,691,193 | 10,024,266 |
| Population, age 65+ | 516,174 | 533,425 | 551,209 | 568,800 | 587,418 | 597,156 | 607,014 |
| Urban population total | 1,557,251 | 1,720,977 | 1,887,571 | 2,044,163 | 2,210,217 | 2,396,164 | 2,594,166 |
| Urban population as % total | 10 | 10 | 11 | 11 | 12 | 12 | 13 |
| Agriculture population density | 41,122 | 42,372 | 43,859 | 45,272 | 46,736 | 48,288 | 49,963 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Crude death rate (interp series) | 17 | 17 | 17 | 17 | 17 | 16 | 16 |
| Infant mort rate, age 0-1 (interp series) | 126 | 125 | 123 | 121 | 119 | 117 | 115 |
| Child mort rate, age 1-4 (interp series) | 0 | 0 | 0 | 0 | 0 | 0 | 16 |
| Life expectancy, total | 48 | 48 | 49 | 49 | 49 | 50 | 51 |
| Life expectancy, males (interp series) | 46 | 47 | 47 | 48 | 48 | 49 | 49 |
| Life expectancy, female | 51 | 51 | 51 | 51 | 51 | 52 | 52 |
| Total fertility rate (interp series) | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Contraceptive acceptors | 93,600 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contraceptive users | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, rural | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, urban | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,390 | 2,407 | 2,359 | 2,409 | 2,461 | 2,421 | 2,348 |
| Daily calorie requirement | 0 | 2,221 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 51 | 54 | 54 | 52 | 53 | 52 | 52 |
| Safe water access as % of population | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, rural | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, urban | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | 70 | 99 | 96 | 100 | 93 | 94 | 90 |
| Gross enrollment ratio, male | 0 | 109 | 104 | 107 | 100 | 100 | 94 |
| Gross enrollment ratio, female | 0 | 88 | 87 | 93 | 86 | 88 | 85 |
| Illiterate population as % pop age 15+ | 0 | 0 | 54 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | 8,483,201 | 8,739,401 | 8,995,601 | 9,251,801 | 9,508,001 | 9,789,001 | 10,070,001 |
| Female labor force as % total labor force | 50 | 50 | 50 | 50 | 50 | 50 | 50 |

SOCIAL INDICATORS FOR TANZANIA
Based Upon World Bank Data

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| LAND | | | | |
| Total land area | 945 | 945 | 945 | 0 |
| Total agricultural land | 402 | 402 | 0 | 0 |
| Arable land | 41 | 41 | 0 | 0 |
| Pasture land | 350 | 350 | 0 | 0 |
| POPULATION | | | | |
| Total population, (interp series) | 20,776,016 | 21,497,024 | 22,242,016 | 23,049,024 |
| Population, female | 10,578,565 | 10,945,679 | 11,290,181 | 0 |
| Population, male | 10,197,437 | 10,551,[illegible] | 10,951,[illegible] | 0 |
| Population, age 0-14 | 9,791,042 | 10,146,592 | 10,515,677 | 0 |
| Population, age 15-64 | 10,368,035 | 10,722,442 | 11,[illegible] | 0 |
| Population, age 65+ | 616,[illegible] | 626,[illegible] | 635,869 | 0 |
| Urban population total | 2,[illegible],484 | 3,04[illegible] | 3,2[illegible] | 0 |
| Urban population as % total | 14 | 14 | 14 | 0 |
| Agriculture population density | 51,695 | 53,489 | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | |
| Crude birth rate, (interp series) | 50 | 50 | 50 | 0 |
| Crude death rate (interp series) | 0 | 0 | 15 | 0 |
| Infant mort rate, age 0-1 (interp series) | 113 | 112 | 110 | 0 |
| Child mort rate, age 1-4 (interp series) | 0 | 22 | 22 | 0 |
| Life expectancy, total | 51 | 52 | 52 | 0 |
| Life expectancy, males (interp series) | 0 | 0 | 50 | 0 |
| Life expectancy, female | 0 | 0 | 54 | 0 |
| Total fertility rate (interp series) | 7 | 7 | 7 | 0 |
| Contraceptive acceptors | 0 | 0 | 0 | 0 |
| Contraceptive users | 0 | 0 | 0 | 0 |
| Persons per household | 0 | 0 | 0 | 0 |
| Persons per household, rural | 0 | 0 | 0 | 0 |
| Persons per household, urban | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | |
| Number of physicians | 0 | 0 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,291 | 2,[illegible]75 | 2,716 | 0 |
| Daily calorie requirement | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 53 | 53 | 51 | 0 |
| Safe water access as % of population | 0 | 52 | 0 | 0 |
| Safe water, rural | 0 | 47 | 0 | 0 |
| Safe water, urban | 0 | 85 | 0 | 0 |
| EDUCATION | | | | |
| Gross enrollment ratio | 87 | 83 | 72 | 0 |
| Gross enrollment ratio, male | 90 | 0 | 0 | 0 |
| Gross enrollment ratio, female | 85 | 0 | 0 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | |
| Labor force size | 10,351,001 | 10,632,001 | 10,913,001 | 11,250,001 |
| Female labor force as % total labor force | 49 | 49 | 49 | 49 |

# ZAMBIA:

## ECONOMIC POLICY PROFILE

### 1. LIBERALIZATION STRATEGY OVERVIEW(1).

In Zambia May 1, 1987 is a dividing point in policy dialogue and formation as well as economic management. From early in 1983 until May 1, 1987 Zambia closely cooperated with donors in what was called an Economic Recovery Program. This included traditional liberalization measures and an exchange auction system for valuing and allocating foreign exchange. On May 1, 1987 Zambia broke away from continued liberalization under the Economic Recovery Program, citing a failure of those policies to deal with the country's problems. In its place Government announced a New Economic Recovery Program, with an Interim National Development Plan for the period July, 1987 through December, 1988.

From 1964 at independence until 1973 Zambia experienced moderate rates of economic growth and relatively stable financial conditions, both stemming from favorable export prices for copper which accounted for over 90% of export earnings and some 50% of GDP. During the same period the country developed a large and diversified industrial base, ranging from chemicals to light manufactures, but almost all within the public sector. Such state ownership of industrial enterprises and a generally active involvement of government in the economy brought with it economic policies which included heavy protection of domestic industry and large subsidies for urban consumers. These policies led to disappointing growth of agricultural output, resulting in a change from food grain resulting in a change from food grain self-sufficiency to import dependency. An overvalued exchange rate penalized non-traditional exports and, along with negative real interest rates, stimulated capital and import

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(1) The Discussion in this paper is based upon analyses and documents of the Government of Zambia, the World Bank, the International Monetary Fund and U.S. A.I.D., as well as discussions with officials in Zambia. It is intended to provide an overview of issues and progress concerning economic management of Zambia's economy and to assist U.S. A.I.D. in considering a five year strategy for Southern Africa.

intensive production and consumption. Heavy public sector investment, especially in the transportation sector, had a small direct impact on growth.

1973 brought severe problems including an economic contraction and external payments difficulties along side increasing fiscal problems. From 1973 to 1984 real GDP declined approximately 1.5% per annum; a population growth rate of 3.1% meant per capita GDP in 1984 was 35% lower than in 1973. Depressed copper prices and a failure to adjust domestic expenditure and production to the deteriorating external situation are the prime reasons for this severe economic downturn. Government resorted to external borrowing to maintain levels of economic activity, in the process incurring massive debt which severely limits development options now and into the future.

Deterioration in the external terms of trade was an integral part of this economic downturn. Copper prices fell by 70% from 1973 to 1985 while prices of imported goods, especially petroleum, rose rapidly, resulting in a 75% worsening of the terms of trade for Zambia. In reaction restrictive exchange and trade systems were put in place to cushion the economy from these external shocks. Shortages of foreign exchange led to low capacity utilization levels and deteriorating capital stock. This, in turn, lowered production further; in mining physical output fell which worsened an already serious foreign exchange crisis. Government maintained expenditures while the tax base and collections fell, leading to large deficits. Tight controls on prices, interest rates, and the exchange rate brought in increasing distortions while tariff and domestic tax policy encouraged capital and import intensive domestic industry.

Early in 1983 Zambia undertook a fundamental restructuring program, with assistance from donors. Among the elements of the reform package were a start at domestic price decontrol, reduced budgetary subsidies for basic foodstuffs and fertilizer, movement of agricultural producer prices towards parity, loosened interest rate ceilings, and adoption of a more flexible exchange rate policy. Because of the severity of the imbalances, the tentative nature of the reforms undertaken relative to the total changes needed, a downturn in donor assistance, and a further compression of imports for lack of foreign exchange, the economic situation worsened during 1983 and 1984. Tentative improvements in the economy, partly flowing from the policy changes initiated in the previous two years, brought the first increase in real GDP of 3.4% in 1985 with substantial help from a good agricultural harvest and increased manufacturing output. But the fiscal and external imbalances grew worse.

Late 1985 brought radical changes in economic policy as Zambia redoubled its efforts to stem the crisis. These changes included resort to a weekly exchange auction starting in October, 1985 to allow market determination of the kwacha

exchange rate. This was accompanied by major liberalization of the trade and payments system. Interest rates were decontrolled through daily auctions of treasury bills. Fiscal and monetary policies were brought into line with these liberalizations. Price controls were drastically loosened and the severe depreciation of the kwacha was thereby quickly passed through to domestic cost-price relationships. Only maize and fertilizer remained as administered prices and government intended to gradually eliminate subsidies on these items also. In agriculture the marketing of maize was liberalized in September, 1986 and the state marketing agency became a buyer of last resort and manager of Zambia's strategic reserves.

This massive economic restructuring was supported by multilateral and bilateral donors. The IMF in February, 1986 approved a 2-year stand-by arrangement and a purchase under the Compensatory Financing Facility. The World Bank approved an agricultural sector credit in January, 1985; an industrial sector reorientation credit in October, 1985; and a Recovery Credit. Bilateral support, coordinated through a number of meetings of the Consultative Group, added external resources to the reform process. Further support was expected from debt restructuring. For 1987 the debt service ratio, in late 1986 when the Policy Framework Paper was written, was expected to be 100% of export earnings, falling to 85% in 1988 and 1989; these amounts excluded arrears on commercial payments. A major complication was that a substantial portion of Zambia's debt was non-reschedulable. Short of maximum debt relief, Zambia could thus not even look forward to minimum growth rates during the period of the Policy Framework Paper.

At the end of 1986, as reflected in the Policy Framework Paper for 1987-1989, the Government and donors considered the economy headed in the right direction The expectation was that with proper price signals and discipline in the economy, agriculture and industry would gradually become the focus of future economic growth, employment, and income. As of the year end 1988, Zambia's external public debt is on the order of $5 billion, of which $400 million consists of IBRD debt, $900 million is IMF debt, and $2.3 billion is to the bilaterals. Unable to keep current in servicing this debt, Zambia has accumulated a staggering $2 billion in arrears on debt.

The 1987-89 medium term reform strategy for the economy, as of end-1986, was to be:

- greater domestic resource mobilization through improved taxation;
- public enterprise reform;
- privatization of some economic activity and better management of what remained in the public sector;
- reformed exchange rate and budgeting operations by the Bank of Zambia;
- promotion of non-traditional exports;

- debt restructuring, essential to increase resources for the medium-term and longer.

In all of this the Government was pursuing broad objectives of economic reform:

1. to permit a resumption of economic growth adequate to at least stabilize per capita income against the annual growth of 3.1% in population.
2. to redirect domestic production and consumption so as to move toward a sustainable balance of payments through the production of efficient export and import-substitution goods.
3. to meet Zambia's immediate external obligations and to improve relations with its external creditors.
4. to achieve internal financial stability, including the stabilization of domestic prices.

A key element of the reform program was to deregulate domestic prices, and the Government took actions on all controlled prices except mealie meal (the basis food staple) as the reform program unfolded. Toward the end of 1986, the Government took the big step and announced that mealie meal prices were decontrolled. Riots in reaction to this measure left a number dead in December 1986, and the Government began to back away from reforms.

During the 1985 - 86 period, domestic prices had increased more rapidly than the Government hoped for, not the least reason for which was the Government's inability to reduce deficit spending and hence growth to domestic credit and the money supply. In addition, the explosive growth of the money supply, combined with a number of lesser factors, ahd resutled in very rapid devaluation of the local currency, to a level that the Government believed was unacceptable.

President Kaunda on May 1, 1987 announced the "New Economic Recovery Programme" in a speech, which provided this rationale for the major changes being implemented:

> "Since 1983 the Party and its Government have undertaken a succession of adjustment programmes worked out in close collaboration with the IMF and the World Bank to restructure the economy. These programmes called for the adoption of specific macro-economic policy measures notably the following:
>
> (a) imposition of credit ceilings in order to reduce money supply;
> (b) reduction in public expenditure, especially on welfare services and subsidies;
> (c) reduction of the overall Government budget deficit;
> (d) the imposition of ceilings on wage raises;
> (e) the decontrol of prices and interest rates;

(f) the rescheduling of the repayments of external debt;
(g) the progressive devaluation of the Kwacha; and
(h) the auctioning of foreign exchange.

"I must point out that even as the Party and its Government were negotiating with the IMF and the World Bankon these policy measures there was wide and deep skepticism regarding the possibility of implementing such measures without bringing about wide disruptions in the economy. This skepticism was fuelled by the growing external debt which compelled the country to commit a significant and growing proportion of its dwindling export earnings to servicing this external debt.

"The IMF conditionality has meant that the restructuring programme, which was and still is imperative in order to lead the economy to recovery, could only be sustained through recourse to massive external borrowing. . . .

"Nevertheless, the Party and its Government decided to go ahead with the measures I have already outlined in the hope that the country's economic performance would improve and the drastic fall in the people's standard of living would be arrested.

"After four years of these experimental programmes per capita income has fallen from the equivalent of US$630 in 1981 to less than US$200 in 1987. We have observed, with growing alarm, a situation where escalating unemployment is becoming a permanent feature of our economy. Galloping inflation has set in which has pushed the prices of basic essential commodities beyond the reach of our people especially in the low income groups who are in the majority. Cases of malnutrition are on the increase everyday.

"There has been a sharp rise in the mortality rate . . . We are witnessing a situation where our social fabric is slowly disintegrating, . . . It is patently clear that far from improving our condition, we are not succeeding. Hence, the need for a fresh look.

"Comrades, what I am saying is that we shall determine our own destiny. To do this we must rely on our own resources both human and material. We must determine for ourselves the direction of our national development and pursue it with conviction, discipline, and total commitment. While appreciating the assistance rendered to us by the international community, we must nevertheless discard the 'dependency syndrome' which has over the years led us to believe that external financial institutions and donor agencies can solve our problems for us."

The New Economic Recovery Programme, as articulated in the Interim National Development Plan for July, 1987 - December, 1988, had as its principal objective stabilization of the economy by controlling inflation. To do this, steps were undertaken to control the exchange rate and interest rates, with the objective of "growth from our own resources."

The detailed objectives of this new approach, as stated in the Interim Plan, were:

1. to release resources for development by compressing non-essential and luxury imports and limiting debt service payments;
2. to reactivate the economy by increasing capacity utilization in enterprises producing essential or basic goods or goods for export;
3. to stabilize the economy by controlling inflation;
4. to promote a self-sustaining economy through increased profitability and reinvestment of profits in enterprises utilizing local raw materials;
5. to diversify exports by promoting non-traditional exports and export of manufactured goods;
6. to structure production and consumption patterns so as to use foreign exchange as a strategic resource;
7. to increase employment opportunities through the establishment of village and small scale industries based on local raw materials;
8. to increase government capacity to manage the economy; and
9. to reduce subsidies gradually and target them to the needy.

One conclusion that must be drawn from Zambia's experience with economic reforms, and particularly from the pull-back from regorms in mid-1987, is that Zambia is politically uncertain about the most desirable pace of reforms. "New Economic Recovery Programme" is that Zambian economic policies are in great disarray. Since May, 1987 a set of policies has been adopted which, while well intentioned, is incapable of stabilizing the economy, let alone of positioning it for eventual growth out-pacing population increases. The abrupt return to direct intervention and control of the economy reverses any gains beginning to appear in allowing more rational, price-sensitive production and investment decisions to function. The goals of the new program are inconsistent. Severe shortages of imports, price controls, and direct allocation intervention by the Government do not add up to an environment within which non-traditional exports will grow. Nor will there be the type of medium-term, sustainable growth in agriculture and manufacturing desired. Negative interest rates and prohibitive protection, tariff-based and quantitative, will direct any new productive activity towards

import substitution. There will be little chance of attracting external investment. Favorable external conditions, weather for agriculture and world prices of minerals for mining, may well support some modest growth, but could just as easily turn adverse and reduce growth even more than these policies are likely to bring forth.

In coming months, another shift in the pace and content of economic policies may be possible. There appears to be little difference in the ultimate objectives (e.g., economic growth and stability) of the regorm programs; the primary difference is in specific reform measures and i nthe pace of their implementation. In late 1988, in conjunction with the Government's announcement of its 1989 budget, the following measures were announced: a) a foreign exchange devaluation, b) statements on impending price decontrol, c) an increase in interest rates, d) statements that subsidies will be removed, and an invitation to the IMF to come to Zambia in early 1989 to examine the Government's reinstitution of policy reform.

## 2. KEY POLICY ELEMENTS

### 2.A. Exchange Rate Management

The auction-engendered devaluation of the kwacha in 1986 and early 1987 was replaced in May 1987 with a fixed rate (8 kwacha per US dollar), and the auction was replaced with an administrative allocation scheme for foreign exchange. Despite the fact that the Government in May 1987 stated that the exchange rate would be under review, there was no change in the rate until the late 1988 announcements. In early November 1988, the Government announced a devaluation (to approximately 10 kwacha per US dollar), and reiterated that the Central Bank would be monitoring (and possibly altering) the exchange rate periodically. Despite this recent devaluation, according to estimates, the kwacha appreciated, in real effective terms, by over forty percent from May 1987 to the end of December 1988, and administrative allocation continued.

### 2.B. Import Administration

Foreign exchange allocation cannot be separated from import administration under current conditions. A Foreign Exchange Management Committee allocates foreign exchange to various sectors of the economy twice-monthly, while a sub-committee meets daily to make allocations under the 50% export retention scheme. But superceding this are the preferential commitments for mining, petroleum, the airline, and fertilizer, as well as the 10% debt servicing allocation. Thus, only the residual is available for allocation by the Foreign Exchange Management Committee.

What is clear from the little data available is that the availability of foreign exchange is severely tight and that chances of any economical levels of capacity utilization, outside of the 4 preferential commitments, is very small. In such an environment, even with the 50% retention Scheme for non-traditional exporters, the ability to import regularly the raw materials required is in severe trouble.

## 2.C. Export Policies

The Government has made an increase in non-traditional exports an important part of the New Economic Recovery Programme. The Minister of Finance in January, 1988 estimated that these exports earned US$ 80 million during 1987. He also stressed that the 50% retention scheme was an important inducement to exporting, along with a duty drawback system for taxes on imports used in production.

Of far more importance in the near-term are policies affecting minerals, primarily copper. Mines have their import requirements taken care of separate from the allocation process, off the top from gross foreign exchange earnings. Favorable copper prices can do a great deal to ease foreign exchange constraints. However, deterioration of mining equipment and gradually dwindling stocks of minerals means that over the longer term there must be alternative export earnings.

It is not possible to assess the situation for non-traditional exporters on the basis of what little is known of the economic situation after May, 1987. On the one hand, the 50% retention scheme, to the extent exporters are allowed to use it and import their requirements, could be a vital safety-valve encouraging production for export markets. On the other hand, the overvalued exchange rate means that financial incentives point towards production for the protected domestic market to the extent that price controls allow for prices above costs.

## 2.D. Industrial Policies

There is a very high dependence of manufacturing on imported inputs, which has resulted in low capacity utilization, except for some producers during the exchange auction period. Under the Interim Plan industrial strategy is supposed to encourage processing of local raw materials and give priority to full utilization of existing industrial capacities. It is also planned that industry would support agricultural development through provision of essential inputs such as machinery and equipment, stockfeed,fertilizers and chemicals, giving special consideration to the input requirements of small-scale farmers. There are to be three categories of manufacturing industries targeted for

reactivation during the Interim Plan period: manufacturers that produce essential commodities; manufacturers that produce intermediate goods, and manufacturing industries that produce goods for export.

Such an industrial strategy is so vague and incorsistent as to not be a strategy, but rather wishful thinking. The imported inputs, let alone capital goods, are not available under the tight foreign exchange situation. Massive restructuring is implied in a redirection of currently import-intensive producers to processing of local product. At the same time, the three categories targeted for reactivation will require substantial imports for rehabilitation.

## 2.E. Price Regulation

Under the New Economic Recovery Programme price control was reintroduced to "stabilize" the economy, just as it was nearing elimination under the previous Economic Recovery Program. The extent of such price control is unclear. The Minister of Finance's January, 1988 Budget Address talks of controlling prices of essential commodities, initially limited to 12. But the October, 1987 Progress Report on the New Economic Recovery Program talks of having brought 21 items under price control.

In late 1988, as part of the reinvigoration of economic policy reforms, the Government announced that it would once again decontrol prices. The announcement included a somewhat ambiguous plan for replacing the controls on mealie meal prices with a coupon program to ensure that the needy are able to procure sufficient mealie meal, at a subsidized price, to survive.

## 2.F. Fiscal Policies

In the President's Speech announcing the New Economic Recovery Programme it was stated that Government would widen the revenue base, which would result in a more equitable tax structure such that it would be profitable to use property and unprofitable to pursue speculation and hoarding. It was also stated that the import tariff system would be revised to discourage capital and import intensive means of production. Related to expenditure changes, the President announced new expenditures would be necessary for public works schemes to reduce unemployment and on public projects with low-cost and short maturities.

The 1989 government budget released in late 1988, calls for reduction in the deficit (compared with actual 1988 figures), and links the need to reduce the deficit to the goal of reducing inflation. Reduction of the deficit to the target level will be difficult for the Government to achieve.

## 2.G. Financial Sector Policies

There is recognition under the New Economic Recovery Programme that control of the money supply is essential to holding down inflation. However, the Minister of Finance reported in January, 1988 that the money supply had grown 60% during 1987, down from 93% during 1986. But reduction of the Government's deficit is an essential companion to slower growth of the money supply. During 1987 the deficit was estimated by the Minister of Finance as K1.6 billion, down from K2.2 billion during 1986; with the bulk of the deficit financed from banking system borrowings. The pressures on government expenditures and drag on tax collection from a stagnant economy do not favor the type of fiscal control essential to holding down growth of the money supply.

Substantial crowding-out of private sector and productive investment occurs under a situation of attempts to tighten the money supply and constrain fiscal deficits. The Government talks about assigning "priority" in borrowing to productive purposes in agriculture, manufacturing, mining, transport, tourism and non-traditional exports; at the same time it talks of restricting credit to other private and parastatal bodies and individuals.

## 2.H. Other Policies

Mining is by far the most important sector in the economy now and for the medium-term. Government has focused on providing that sector with necessary foreign exchange. It is also attempting to foster rehabilitation, with a resulting growth of copper output of 5% in 1987 over 1986 and more results expected in future years. The favorable upturn in copper prices along with cost-cutting measures by Zambia Consolidated Copper Mines, as part of a five year production and investment plan, could generate additional foreign exchange earnings if the trends continue. But over the longer term it is clear that the copper reserves are exhaustible and world prices subject to long periods of decline. Therefore there is at best a limited number of years during which copper can "pull" the economy towards restructuring and alternative sources of export earnings.

DEVELOPMENT INDICATORS FOR ZAMBIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | Local currency | 198.5 | 230.3 | 314.5 | 344.8 | 357.8 |
| Current prices Private Consumption, etc. | Local currency | 503.5 | 492.6 | 535.7 | 530.2 | 659.7 |
| Current prices Domestic Absorption | Local currency | 1,042.8 | 1,213.7 | 1,326.6 | 1,339.9 | 1,769.5 |
| Current prices Exports of Goods & NF Services | Local currency | 685.4 | 500.6 | 586.1 | 761.4 | 943.9 |
| Current prices GDP at Factor Cost | Local currency | 1,155.6 | 1,075.9 | 1,219.2 | 1,439.3 | 1,707.5 |
| Current prices Gross Domestic Product | Local currency | 1,227.7 | 1,183.6 | 1,348.0 | 1,591.3 | 1,887.9 |
| Current prices Gross Domestic Savings | Local currency | 575.7 | 415.7 | 497.8 | 716.3 | 870.4 |
| Current prices Gross National Product | Local currency | 1,244.3 | 1,145.0 | 1,273.9 | 1,465.2 | 1,752.0 |
| Current prices Gross National Savings | Local currency | 438.0 | 263.9 | 327.5 | 507.8 | 652.5 |
| Current prices Imports of Goods & NF Services | Local currency | 474.5 | 525.7 | 564.7 | 529.0 | 765.5 |
| Current prices Fixed Investment | Local currency | 372.3 | 390.4 | 445.0 | 417.0 | 502.0 |
| Current prices Gross Domestic Investment | Local currency | 360.8 | 440.8 | 476.4 | 464.9 | 692.0 |
| Current prices Net Factor Income (+) or Payments | Local currency | (33.4) | (43.6) | (74.1) | (126.1) | (155.9) |
| Current prices Indirect Taxes Net of Subsidies | Local currency | 122.1 | 113.6 | 126.8 | 152.0 | 180.4 |
| Current prices Resource Balance | Local currency | 214.5 | (25.1) | 21.4 | 251.4 | 178.4 |
| Current prices Value Added in Agriculture | Local currency | 126.1 | 154.0 | 172.2 | 179.6 | 199.4 |
| Current prices Value Added in Industry | Local currency | 699.2 | 545.5 | 636.3 | 845.5 | 1,026.2 |
| Current prices Value Added in Manufacturing | Local currency | 129.2 | 149.7 | 181.4 | 195.3 | 240.4 |
| Current prices Value Added in Services, etc. | Local currency | 442.4 | 489.1 | 539.5 | 566.2 | 662.3 |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | Local currency | 0.0 | 0.0 | (175.6) | (256.4) | 64.4 |
| Government Capital Payments | Local currency | 0.0 | 0.0 | 144.2 | 365.7 | 167.1 |
| Government Capital Receipts | Local currency | 0.0 | 0.0 | 1.1 | 86.3 | 1.1 |
| Government Current Budget Balance | Local currency | 0.0 | 0.0 | (32.5) | 17.9 | 230.4 |
| Government Current Expenditure | Local currency | 0.0 | 0.0 | 329.5 | 371.5 | 418.5 |
| Government Current Revenue | Local currency | 0.0 | 0.0 | 297.0 | 364.5 | 648.9 |
| MONEY | | | | | | |
| Money Supply, Broadly Defined | Local currency | 422.8 | 399.8 | 417.5 | 493.1 | 526.9 |
| Money as Means of Payment | Local currency | 185.9 | 196.6 | 201.3 | 258.9 | 265.7 |
| Quasi-Monetary Liabilities | Local currency | 236.9 | 199.2 | 212.2 | 233.2 | 261.2 |
| Currency Outside Banks | Local currency | 42.8 | 58.7 | 61.4 | 69.4 | 79.6 |
| Demand Deposits | Local currency | 143.1 | 14 .7 | 140.0 | 189.5 | 186.0 |
| TRADE | | | | | | |
| Current prices Exports of Manufactures | US $ | 8.1 | 9.5 | 10.6 | 9.3 | 13.4 |
| Current prices Exports of Nonfuel Primary Products | US $ | 992.7 | 669.1 | 747.1 | 1,131.9 | 1,389.2 |
| Current prices Value of Exports | US $ | 1,001.0 | 679.3 | 758.2 | 1,141.8 | 1,406.6 |
| Current prices Imports of Fuels | US $ | 49.2 | 45.1 | 37.1 | 51.1 | 95.9 |
| Current prices Imports of Manufactures | US $ | 366.2 | 423.5 | 453.2 | 423.9 | 592.1 |
| Current prices Imports of Nonfuel Primary Products | US $ | 61.5 | 93.3 | 73.1 | 57.1 | 100.3 |
| Current prices Value of Imports, cif | US $ | 477.0 | 556.9 | 563.4 | 532.0 | 787.3 |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | US $, as per IBRD DRS | 30.6 | 38.0 | 40.2 | 93.8 | 51.4 |
| Disbursements of Long-Term Loans | US $, as per IBRD DRS | 352.7 | 54.6 | 142.7 | 319.8 | 205.9 |
| Net Long-Term Loans | US $, as per IBRD DRS | 321.4 | 3.1 | 99.5 | 29.7 | 122.6 |
| Repayments on Long-Term Loans | US $, as per IBRD DRS | 41.3 | 51.5 | 43.2 | 290.1 | 83.3 |
| Identified Short-Term Debt | US $, end of year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public/Publicly Guar. Long-Term Debt | US $, IBRD DRS - end of y | 622.6 | 633.0 | 676.4 | 697.3 | 802.3 |
| Public Long Term Debt, IBRD & IDA | US $, IBRD DRS - end of y | 63.5 | 63.7 | 73.0 | 93.1 | 137.3 |
| Public Long Term Debt, Official Creditors | US $, IBRD DRS - end of y | 119.5 | 147.3 | 181.0 | 275.5 | 422.7 |
| Public Long Term Debt, Private Creditors | US $, IBRD DRS - end of y | 503.1 | 485.7 | 495.4 | 421.8 | 379.6 |
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | US $, BoP | (146.0) | (151.4) | (134.6) | (126.4) | (127.5) |
| Merchandise Exports, fob | US $, BoP | 942.0 | 671.0 | 760.0 | 1,130.1 | 1,396.3 |
| Exports of Goods & Services | US $, BoP | 996.0 | 727.2 | 829.5 | 1,202.9 | 1,479.2 |
| Non-Factor Services Receipts | US $, BoP | 17.0 | 25.1 | 49.9 | 57.2 | 52.9 |

DEVELOPMENT INDICATORS FOR ZAMBIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | | | |
| Current prices General Government Consumption | 435.7 | 501.0 | 525.0 | 537.8 | 633.0 | 781.6 | 986.0 | 995.9 |
| Current prices Private Consumption, etc. | 814.1 | 852.9 | 1,022.8 | 1,251.5 | 1,412.6 | 1,691.9 | 2,262.2 | 2,312.9 |
| Current prices Domestic Absorption | 1,291.8 | 1,805.4 | 2,027.8 | 2,338.3 | 2,421.6 | 3,186.8 | 3,921.5 | 3,911.7 |
| Current prices Exports of Goods & NF Services | 575.0 | 832.3 | 781.5 | 755.3 | 1,208.3 | 1,268.0 | 998.0 | 995.1 |
| Current prices GDP at Factor Cost | 1,431.7 | 1,720.0 | 1,796.6 | 2,004.3 | 2,423.4 | 2,842.6 | 3,128.1 | 3,251.1 |
| Current prices Gross Domestic Product | 1,583.0 | 1,901.7 | 1,986.4 | 2,250.7 | 2,660.4 | 3,063.6 | 3,485.4 | 3,595.3 |
| Current prices Gross Domestic Savings | 333.2 | 547.8 | 438.6 | 461.4 | 614.8 | 590.1 | 237.2 | 286.5 |
| Current prices Gross National Product | 1,461.4 | 1,747.5 | 1,898.3 | 2,109.4 | 2,431.8 | 2,835.0 | 3,387.5 | 3,376.1 |
| Current prices Gross National Savings | 129.6 | 313.6 | 285.0 | 317.5 | 382.9 | 197.1 | 8.3 | 40.8 |
| Current prices Imports of Goods & NF Services | 883.8 | 736.0 | 832.9 | 830.9 | 969.5 | 1,391.2 | 1,424.1 | 1,311.5 |
| Current prices Fixed Investment | 602.0 | 445.0 | 483.0 | 487.0 | 450.0 | 558.3 | 610.0 | 618.0 |
| Current prices Gross Domestic Investment | 642.0 | 451.5 | 496.0 | 537.0 | 376.0 | 713.3 | 673.3 | 602.9 |
| Current prices Net Factor Income (+) or Payments | (121.6) | (154.2) | (68.1) | (141.3) | (228.6) | (228.6) | (97.9) | (219.2) |
| Current prices Indirect Taxes Net of Subsidies | 151.3 | 181.7 | 189.8 | 246.4 | 237.0 | 221.0 | 357.3 | 344.2 |
| Current prices Resource Balance | (308.8) | 96.3 | (51.4) | (75.6) | 238.8 | (123.2) | (436.1) | (316.4) |
| Current prices Value Added in Agriculture | 297.1 | 376.0 | 325.6 | 362.0 | 397.2 | 435.3 | 553.8 | 492.2 |
| Current prices Value Added in Industry | 670.4 | 823.0 | 748.0 | 854.1 | 1,117.1 | 1,265.3 | 1,350.5 | 1,336.2 |
| Current prices Value Added in Manufacturing | 265.7 | 319.0 | 353.0 | 428.1 | 486.7 | 566.1 | 684.1 | 740.4 |
| Current prices Value Added in Services, etc. | 705.5 | 802.7 | 912.8 | 1,001.6 | 1,146.1 | 1,363.0 | 1,581.1 | 1,766.9 |
| GOVERNMENT | | | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (240.8) | (269.9) | (261.4) | (224.5) | (241.1) | (567.5) | (449.6) | (668.2) |
| Government Capital Payments | 256.1 | 169.5 | 207.1 | 222.4 | 140.9 | 346.1 | 138.6 | 315.7 |
| Government Capital Receipts | 0.0 | 0.0 | 0.0 | 6.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Budget Balance | (84.7) | (100.4) | (54.3) | 7.2 | (106.2) | (221.4) | (311.0) | (352.5) |
| Government Current Expenditure | 547.0 | 502.3 | 586.4 | 576.3 | 720.2 | 1,012.1 | 1,142.1 | 1,221.5 |
| Government Current Revenue | 462.3 | 401.9 | 532.1 | 583.5 | 614.0 | 790.7 | 831.1 | 869.0 |
| MONEY | | | | | | | | |
| Money Supply, Broadly Defined | 568.8 | 724.1 | 804.6 | 750.6 | 949.8 | 1,049.1 | 1,123.4 | 1,457.9 |
| Money as Means of Payment | 336.6 | 400.4 | 392.8 | 396.8 | 516.6 | 519.0 | 563.7 | 689.5 |
| Quasi-Monetary Liabilities | 258.2 | 323.7 | 411.8 | 353.8 | 433.2 | 530.1 | 559.7 | 768.4 |
| Currency Outside Banks | 102.4 | 121.1 | 118.4 | 137.9 | 126.2 | 151.1 | 190.1 | 209.5 |
| Demand Deposits | 228.2 | 279.3 | 274.4 | 260.0 | 390.5 | 367.9 | 373.6 | 479.9 |
| TRADE | | | | | | | | |
| Current prices Exports of Manufactures | 11.6 | 8.1 | 9.8 | 8.5 | 13.4 | 12.8 | 9.8 | 9.4 |
| Current prices Exports of Nonfuel Primary Products | 797.4 | 1,028.9 | 885.0 | 846.4 | 1,345.4 | 1,331.0 | 975.6 | 911.1 |
| Current prices Value of Exports | 811.5 | 1,040.5 | 897.4 | 869.2 | 1,375.5 | 1,359.5 | 998.0 | 932.0 |
| Current prices Imports of Fuels | 126.1 | 101.4 | 102.6 | 110.9 | 134.1 | 195.2 | 187.3 | 146.6 |
| Current prices Imports of Manufactures | 710.7 | 488.1 | 504.7 | 451.6 | 533.1 | 795.9 | 759.8 | 594.3 |
| Current prices Imports of Nonfuel Primary Products | 91.9 | 65.6 | 63.9 | 65.8 | 83.1 | 120.0 | 114.9 | 90.1 |
| Current prices Value of Imports, cif | 928.7 | 655.1 | 671.2 | 628.3 | 750.2 | 1,111.0 | 1,062.0 | 831.0 |
| LOANS AND DEBT | | | | | | | | |
| Long-Term Interest Payments | 52.9 | 68.6 | 75.8 | 88.5 | 93.1 | 116.3 | 99.4 | 87.3 |
| Disbursements of Long-Term Loans | 488.8 | 253.9 | 273.9 | 171.9 | 523.8 | 637.2 | 406.7 | 351.4 |
| Net Long-Term Loans | 418.6 | 164.1 | 112.2 | (38.4) | 311.2 | 423.6 | 170.5 | 249.9 |
| Repayments on Long-Term Loans | 70.2 | 89.8 | 160.7 | 209.3 | 212.6 | 213.6 | 236.2 | 101.5 |
| Identified Short-Term Debt | 0.0 | 0.0 | 645.0 | 645.0 | 641.0 | 580.0 | 581.0 | 586.0 |
| Public/Publicly Guar. Long-Term Debt | 1,142.5 | 1,298.5 | 1,402.5 | 1,463.5 | 1,819.5 | 2,187.2 | 2,232.3 | 2,379.6 |
| Public Long Term Debt, IBRD & IDA | 182.8 | 252.4 | 292.4 | 319.4 | 335.1 | 346.8 | 349.8 | 358.5 |
| Public Long Term Debt, Official Creditors | 555.5 | 691.4 | 791.3 | 935.1 | 1,250.5 | 1,547.2 | 1,635.3 | 1,733.3 |

DEVELOPMENT INDICATORS FOR ZAMBIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| **NATIONAL INCOME** | | | | |
| Current prices General Government Consumption | 1,008.8 | 1,240.1 | 1,687.0 | 3,002.0 |
| Current prices Private Consumption, etc. | 2,645.5 | 2,779.4 | 4,143.0 | 7,497.0 |
| Current prices Domestic Absorption | 4,229.3 | 4,743.5 | 6,887.0 | 12,299.0 |
| Current prices Exports of Goods & NF Services | 1,280.7 | 1,[illegible] | 2,628.0 | 5,692.0 |
| Current prices GDP at Factor Cost | 3,549.1 | 4,263.7 | 6,305.0 | 10,965.0 |
| Current prices Gross Domestic Product | 4,181.2 | 4,921.0 | 7,149.0 | 12,998.0 |
| Current prices Gross Domestic Savings | 526.9 | 911.5 | 1,215.0 | 1,599.0 |
| Current prices Gross National Product | 3,934.8 | 4,556.0 | 6,454.0 | 10,858.0 |
| Current prices Gross National Savings | 268.5 | 473.0 | 552.9 | [illegible] |
| Current prices Imports of Goods & NF Services | 1,328.8 | 1,619.4 | 2,466.0 | 5,794.0 |
| Current prices Fixed Investment | 615.0 | 822.6 | 724.5 | 1,[illegible] |
| Current prices Gross Domestic Investment | 575.0 | 724.0 | 1,052.0 | 1,791.0 |
| Current prices Net Factor Income (+) or Payments | (246.4) | (375.0) | (595.0) | (1,24[illegible] |
| Current prices Indirect Taxes Net of Subsidies | 632.1 | 667.7 | 740.0 | 2,032.0 |
| Current prices Resource Balance | (48.1) | (87.5 | 162.0 | (192.0 |
| Current prices Value Added in Agriculture | 593.7 | 717.2 | 925.0 | 1,305.0 |
| Current prices Value Added in Industry | 1,674.9 | 1,9[illegible].4 | 2,966.0 | 5,785.0 |
| Current prices Value Added in Manufacturing | 829.8 | 1,[illegible].6 | 1,392.9 | 2,432.0 |
| Current prices Value Added in Services, etc. | 1,912.6 | 2,30[illegible].4 | 3,158.0 | 5,908.0 |
| **GOVERNMENT** | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (327.3) | (413.7) | (1,052.6) | 0.0 |
| Government Capital Payments | 217.9 | 269.0 | 279.8 | 0.0 |
| Government Capital Receipts | 0.[illegible] | 1.1 | 14.7 | 0.0 |
| Government Current Budget Balance | (110.0) | (145.8) | (287.5) | 0.0 |
| Government Current Expenditure | 1,176.6 | 1,258.2 | 1,849.9 | [illegible] |
| Government Current Revenue | 1,066.6 | 1,112.4 | 1,562.4 | 0.0 |
| **MONEY** | | | | |
| Money Supply, Broadly Defined | 1,618.0 | 1,893.3 | 2,336.1 | 4,514.6 |
| Money as Means of Payment | 795.3 | 869.9 | 1,231.5 | 2,303.7 |
| Quasi-Monetary Liabilities | 822.7 | 1,023.4 | 1,104.7 | 2,210.9 |
| Currency Outside Banks | 238.8 | 285.6 | 342.5 | 592.4 |
| Demand Deposits | 556.5 | 584.3 | 889.0 | 1,710.3 |
| **TRADE** | | | | |
| Current prices Exports of Manufactures | 8.7 | 10.5 | 20.0 | 21.4 |
| Current prices Exports of Nonfuel Primary Products | 976.5 | 862.9 | 785.6 | 597.7 |
| Current prices Value of Exports | 997.0 | 894.0 | 815.0 | 722.7 |
| Current prices Imports of Fuels | 121.7 | 153.4 | 149.6 | 91.5 |
| Current prices Imports of Manufactures | 493.6 | 462.0 | 475.0 | 558.6 |
| Current prices Imports of Nonfuel Primary Products | 74.7 | 114.2 | 29.0 | 32.7 |
| Current prices Value of Imports, cif | 690.0 | 729.6 | 653.6 | 682.9 |
| **LOANS AND DEBT** | | | | |
| Long-Term Interest Payments | 75.5 | 58.5 | 42.6 | 54.6 |
| Disbursements of Long-Term Loans | 222.9 | 266.5 | 260.9 | 232.3 |
| Net Long-Term Loans | 169.2 | 209.0 | 211.4 | 163.7 |
| Repayments on Long-Term Loans | 53.7 | 57.5 | 51.5 | 69.2 |
| Identified Short-Term Debt | 429.0 | 388.0 | 507.0 | 900.0 |
| Public/Publicly Guar. Long-Term Debt | 2,661.2 | 2,750.3 | 3,152.3 | 3,574.6 |
| Public Long Term Debt, IBRD & IDA | 365.3 | 374.3 | 467.4 | 569.7 |
| Public Long Term Debt, Official Creditors | 2,082.5 | 2,201.0 | 2,533.5 | 2,991.4 |

DEVELOPMENT INDICATORS FOR ZAMBIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| Factor Service Receipts | US $, BoP | 40.0 | 31.1 | 19.5 | 15.5 | 30.1 |
| Factor Service Payments | US $, BoP | 87.0 | 92.3 | 122.7 | 146.6 | 164.8 |
| Merchandise Imports, fob | US $, BoP | 487.0 | 561.7 | 565.7 | 538.8 | 791.3 |
| Imports of Goods & Services | US $, BoP | 745.0 | 823.4 | 903.3 | 946.6 | 1,336.1 |
| Non-Factor Services Payments | US $, BoP | 171.0 | 169.5 | 215.0 | 261.1 | 380.0 |
| Increase (-) in Reserves | US $, BoP | (136.6) | 263.4 | 146.4 | 13.6 | (26.0) |
| Other Net Long-Term Inflows | US $, BoP | (163.4) | (330.1) | 13.2 | (91.7) | (108.2) |
| Current Account Balance | US $, BoP | 108.0 | (247.7) | (208.5) | 129.9 | 15.6 |
| Net Foreign Direct Investment | US $, BoP | (297.0) | 0.0 | 29.3 | 32.2 | 38.5 |
| Net Long-Term Capital Inflow | US $, BoP | (139.0) | (327.0) | 102.1 | (29.8) | 52.9 |
| Other Net Capital Inflows | US $, BoP | 167.6 | 311.3 | (40.0) | (113.8) | (42.6) |
| INDICIES | | | | | | |
| Terms of Trade Index | US dollar-based | 314.0 | 188.2 | 164.7 | 240.4 | 171.6 |
| Constant price Exports, fob | 1980 US $ | 1,587.4 | 1,425.3 | 1,562.6 | 1,406.8 | 1,483.0 |
| Constant price Imports, cif | 1980 US $ | 2,375.3 | 2,207.2 | 1,912.3 | 1,575.9 | 1,424.5 |
| Domestic Absorption Deflator | 1980=100 | 30.1 | 32.3 | 34.1 | 36.2 | 40.3 |
| GDP Deflator | 1980=100 | 47.7 | 44.5 | 46.2 | 55.0 | 61.3 |
| Agricultural Value Added Deflator | 1980=100 | 36.5 | 40.3 | 43.2 | 45.6 | 48.4 |
| Industrial Value Added Deflator | 1980=100 | 66.0 | 57.5 | 52.1 | 68.7 | 76.4 |
| Manufacturing Real Output per Employee | 1980=100 | 109.7 | 118.3 | 126.1 | 125.9 | 123.8 |
| Manufacturing Real Earnings per Employee | 1980=100 | 128.4 | 132.3 | 133.0 | 138.8 | 134.7 |
| Fuel Export Price Index | 1980=100, US dollar-based | 4.3 | 5.6 | 6.2 | 8.9 | 36.7 |
| Manufactures Export Price Index | 1980=100, US dollar-based | 37.5 | 36.5 | 38.5 | 49.5 | 67.2 |
| Nonfuel Primary Products Export Price Index | 1980=100, US dollar-based | 63.6 | 48.0 | 48.9 | 81.9 | 95.7 |
| Export Price Index, fob | 1980=100, US dollar-based | 63.1 | 47.7 | 48.5 | 81.2 | 94.8 |
| Import Price Index, cif | 1980=100, US dollar-based | 20.1 | 25.3 | 29.5 | 33.8 | 55.3 |
| Conversion Factor, Annual Average | Local currency per U.S. d | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 |

DEVELOPMENT INDICATORS FOR ZAMBIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| Public Long Term Debt, Private Creditors | 587.0 | 607.1 | 611.2 | 528.4 | 569.0 | 640.0 | 597.0 | 646.3 |
| BALANCE OF PAYMENTS | | | | | | | | |
| Net Current Transfers | (137.5) | (110.8) | (81.7) | (62.0) | (105.0) | (208.5) | (150.8) | (26.6) |
| Merchandise Exports, fob | 802.6 | 1,028.7 | 896.7 | 830.6 | 1,407.9 | 1,456.9 | 996.3 | 947.1 |
| Exports of Goods & Services | 889.3 | 1,122.2 | 973.7 | 951.8 | 1,534.6 | 1,624.7 | 1,169.5 | 1,076.7 |
| Non-Factor Services Receipts | 65.6 | 83.1 | 73.6 | 112.8 | 115.6 | 151.5 | 152.5 | 121.6 |
| Factor Service Receipts | 12.1 | 10.4 | 3.5 | 5.4 | 11.1 | 16.3 | 20.4 | 15.1 |
| Factor Service Payments | 128.7 | 157.0 | 127.8 | 162.1 | 180.5 | 221.3 | 176.6 | 203.4 |
| Merchandise Imports, fob | 947.0 | 668.5 | 683.9 | 617.9 | 756.1 | 1,114.0 | 1,065.4 | 1,040.5 |
| Imports of Goods & Services | 1,474.0 | 1,136.0 | 1,104.1 | 1,187.5 | 1,392.6 | 1,986.3 | 1,826.4 | 1,615.3 |
| Non-Factor Services Payments | 398.2 | 310.6 | 288.4 | 407.5 | 456.1 | 651.0 | 584.4 | 486.4 |
| Increase (-) in Reserves | 70.5 | 52.7 | 38.2 | 184.1 | 107.9 | 3.6 | 409.1 | (62.7) |
| Other Net Long-Term Inflows | (85.9) | (92.5) | (109.9) | 14.7 | (114.2) | (297.2) | 423.8 | (91.0) |
| Current Account Balance | (721.2) | (124.7) | (217.2) | (297.7) | 30.8 | (569.9) | (761.2) | (565.4) |
| Net Foreign Direct Investment | 37.6 | 31.2 | 17.5 | 38.6 | 25.1 | 61.7 | (38.4) | 39.0 |
| Net Long-Term Capital Inflow | 370.3 | 102.8 | 19.8 | 14.9 | 232.2 | 220.6 | 563.4 | 197.8 |
| Other Net Capital Inflows | 280.4 | (30.8) | 159.1 | 93.8 | (326.9) | 345.7 | (231.2) | 426.2 |
| INDICIES | | | | | | | | |
| Terms of Trade Index | 100.6 | 111.3 | 95.5 | 91.0 | 105.7 | 100.0 | 79.8 | 70.9 |
| Constant price Exports, fob | 1,400.6 | 1,604.3 | 1,476.4 | 1,380.7 | 1,514.0 | 1,359.5 | 1,227.2 | 1,245.5 |
| Constant price Imports, cif | 1,611.9 | 1,124.0 | 1,054.7 | 908.3 | 854.0 | 1,111.0 | 1,042.0 | 855.4 |
| Domestic Absorption Deflator | 44.7 | 52.8 | 65.9 | 76.2 | 84.0 | 100.0 | 117.5 | 132.6 |
| GDP Deflator | 52.6 | 59.5 | 65.1 | 73.4 | 89.5 | 100.0 | 107.2 | 113.7 |
| Agricultural Value Added Deflator | 48.0 | 59.8 | 69.8 | 77.4 | 89.5 | 100.0 | 107.6 | 118.4 |
| Industrial Value Added Deflator | 51.4 | 61.4 | 59.9 | 68.3 | 90.3 | 100.0 | 101.7 | 101.2 |
| Manufacturing Real Output per Employee | 114.5 | 117.1 | 104.3 | 95.9 | 106.2 | 100.0 | 111.8 | 106.4 |
| Manufacturing Real Earnings per Employee | 122.5 | 121.4 | 110.4 | 103.3 | 102.6 | 100.0 | 109.0 | 103.5 |
| Fuel Export Price Index | 25.7 | 38.4 | 42.1 | 42.3 | 61.0 | 100.0 | 112.5 | 101.6 |
| Manufactures Export Price Index | 66.1 | 66.7 | 71.7 | 76.1 | 90.0 | 100.0 | 99.1 | 94.8 |
| Nonfuel Primary Products Export Price Index | 58.0 | 65.0 | 60.8 | 63.4 | 91.4 | 100.0 | 80.9 | 68.8 |
| Export Price Index, fob | 56.0 | 64.9 | 60.8 | 63.0 | 90.5 | 100.0 | 91.2 | 89.3 |
| Import Price Index, cif | 57.6 | 58.3 | 62.6 | 69.2 | 82.9 | 100.0 | 101.9 | 97.7 |
| Conversion Factor, Annual Average | 0.6 | 0.7 | 0.8 | 0.8 | 1.8 | 0.5 | 0.9 | 0.9 |

DEVELOPMENT INDICATORS FOR ZAMBIA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| Public Long Term Debt, Private Creditors | 578.7 | 549.3 | 618.8 | 583.2 |
| BALANCE OF PAYMENTS | | | | |
| Net Current Transfers | (9.6) | (35.4) | (98.4) | (64.1) |
| Merchandise Exports, fob | 923.0 | 892.6 | 797.2 | 687.1 |
| Exports of Goods & Services | 1,024.6 | 972.6 | 866.9 | 735.2 |
| Non-Factor Services Receipts | 98.8 | 75.3 | 68.1 | 46.8 |
| Factor Service Receipts | 2.9 | 4.7 | 1.6 | 1.3 |
| Factor Service Payments | 241.0 | 187.4 | 217.2 | 302.2 |
| Merchandise Imports, fob | 711.0 | 612.1 | 571.4 | 515.9 |
| Imports of Goods & Services | 1,285.7 | 1,090.0 | 1,043.1 | 1,016.4 |
| Non-Factor Services Payments | 333.7 | 294.5 | 284.5 | 198.3 |
| Increase (-) in Reserves | 66.7 | 135.1 | (145.4) | 101.2 |
| Other Net Long-Term Inflows | (69.2) | (115.1) | 41.7 | 329.6 |
| Current Account Balance | (270.8) | (152.5) | (274.6) | (345.0) |
| Net Foreign Direct Investment | 25.8 | 17.1 | 0.0 | 0.0 |
| Net Long-Term Capital Inflow | 125.7 | 111.0 | 323.7 | (113.5) |
| Other Net Capital Inflows | 76.4 | (93.6) | 56.3 | 357.7 |
| INDICIES | | | | |
| Terms of Trade Index | 77.9 | 70.1 | 71.5 | 70.0 |
| Constant price Exports, fob | 1,346.6 | 1,353.9 | 1,223.2 | 1,119.0 |
| Constant price Imports, cif | 725.7 | 783.1 | 731.5 | 748.3 |
| Domestic Absorption Deflator | 155.0 | 168.7 | 224.6 | 427.2 |
| GDP Deflator | 134.9 | 159.7 | 225.9 | 384.1 |
| Agricultural Value Added Deflator | 131.7 | 150.7 | 187.7 | 250.3 |
| Industrial Value Added Deflator | 130.9 | 152.5 | 235.1 | 461.7 |
| Manufacturing Real Output per Employee | 98.0 | 91.1 | 80.2 | 0.0 |
| Manufacturing Real Earnings per Employee | 95.6 | 89.0 | 72.7 | 0.0 |
| Fuel Export Price Index | 92.5 | 90.2 | 67.5 | 45.0 |
| Manufactures Export Price Index | 90.7 | 89.3 | 89.0 | 102.2 |
| Nonfuel Primary Products Export Price Index | 73.7 | 64.9 | 66.9 | 64.0 |
| Export Price Index, fob | 74.0 | 65.3 | 66.6 | 64.6 |
| Import Price Index, cif | 95.1 | 93.2 | 93.2 | 92.2 |
| Conversion Factor, Annual Average | 1.3 | 1.8 | 2.7 | 7.3 |

SOCIAL INDICATORS FOR ZAMBIA
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | SQ KILOM. | 753 | 753 | 753 | 753 | 753 | 753 |
| Total agricultural land | SQ KILOM. | 400 | 400 | 400 | 400 | 400 | 400 |
| Arable land | SQ KILOM. | 49 | 50 | 50 | 50 | 50 | 50 |
| Pasture land | SQ KILOM. | 350 | 350 | 350 | 350 | 350 | 350 |
| POPULATION | | | | | | | |
| Total population, (interp series) | NUMBER | 4,159,001 | 4,289,001 | 4,421,001 | 4,559,001 | 4,700,001 | 4,846,001 |
| Population, female | NUMBER | 2,093,227 | 2,158,291 | 2,225,376 | 2,294,666 | 2,366,111 | 2,439,773 |
| Population, male | NUMBER | 2,065,775 | 2,129,711 | 2,195,626 | 2,264,336 | 2,333,889 | 2,406,229 |
| Population, age 0-14 | NUMBER | 1,936,471 | 2,000,396 | 2,066,408 | 2,134,466 | 2,205,242 | 2,278,004 |
| Population, age 15-64 | NUMBER | 2,117,425 | 2,178,285 | 2,240,888 | 2,305,726 | 2,371,775 | 2,440,032 |
| Population, age 65+ | NUMBER | 105,107 | 109,321 | 113,706 | 118,293 | 123,024 | 127,966 |
| Urban population total | NUMBER | 1,272,155 | 1,358,478 | 1,450,088 | 1,548,172 | 1,652,432 | 1,762,745 |
| Urban population as % total | PERCENT | 31 | 32 | 33 | 34 | 35 | 36 |
| Agriculture population density | NUMBER | 10,401 | 10,725 | 11,056 | 11,403 | 11,754 | 12,115 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 49 | 49 | 49 | 49 | 49 | 49 |
| Crude death rate (interp series) | NUMBER | 19 | 18 | 18 | 18 | 17 | 17 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 106 | 102 | 100 | 99 | 98 | 96 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 25 | 25 | 24 | 24 | 23 | 23 |
| Life expectancy, total | NUMBER | 46 | 47 | 47 | 48 | 48 | 48 |
| Life expectancy, males (interp series) | NUMBER | 45 | 45 | 45 | 46 | 47 | 47 |
| Life expectancy, female | NUMBER | 48 | 49 | 49 | 49 | 50 | 50 |
| Total fertility rate (interp series) | NUMBER | 7 | 7 | 7 | 7 | 7 | 7 |
| Contraceptive users | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | NUMBER | [illegible] | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | NUMBER | [illegible] | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 14 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | [illegible] | 0 | 0 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 2 | 0 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | [illegible] | [illegible] | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,125 | 2,134 | 2,171 | 2,212 | 2,261 | 2,314 |
| Daily calorie requirement | NUMBER | [illegible] | [illegible] | 0 | 0 | 0 | 0 |
| Daily protein supply (gm | NUMBER | 63 | 64 | 66 | 62 | 64 | 66 |
| % Urban dwellings w/electricity | PERCENT | [illegible] | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | PERCENT | 37 | 0 | 0 | 0 | 0 | 42 |
| Safe water, rural | PERCENT | 22 | 0 | 0 | 0 | 0 | 15 |
| Safe water, urban | PERCENT | 79 | 0 | 0 | 0 | 0 | 85 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | PERCENT | 96 | 0 | 0 | 0 | 0 | 97 |
| Gross enrollment ratio, male | PERCENT | 99 | 0 | 0 | 0 | 0 | 99 |
| Gross enrollment ratio, female | PERCENT | 80 | 0 | 0 | 0 | 0 | 95 |
| % Pups reaching grade 5 | PERCENT | 0 | 0 | 0 | 78 | 0 | 0 |
| Illiterate population as % pop age 15- | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | NUMBER | 1,465,001 | 1,535,001 | 1,545,001 | 1,595,001 | 1,625,001 | 1,665,001 |
| Labor participation rate | PERCENT | 35 | 0 | 0 | 0 | 0 | 34 |
| Male labor participation rate | PERCENT | 51 | 0 | 0 | 0 | 0 | 50 |
| Female labor participation rate | PERCENT | 19 | 0 | 0 | 0 | 0 | 19 |
| Female labor force as % total labor force | PERCENT | 29 | 29 | 29 | 29 | 28 | 28 |
| Labor in agriculture as % total | PERCENT | 77 | 76 | 76 | 76 | 75 | 75 |
| Labor in industry | PERCENT | 9 | 9 | 9 | 9 | 9 | 9 |
| Labor in services | PERCENT | 15 | 15 | 15 | 15 | 16 | 16 |

SOCIAL INDICATORS FOR ZAMBIA
Based Upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | 753 | 753 | 753 | 753 | 753 | 753 | 753 |
| Total agricultural land | 400 | 400 | 401 | 401 | 401 | 402 | 402 |
| Arable land | 50 | 50 | 51 | 51 | 51 | 52 | 52 |
| Pasture land | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| POPULATION | | | | | | | |
| Total population, (interp series) | 4,997,001 | 5,152,001 | 5,312,001 | 5,477,001 | 5,647,001 | 5,844,001 | 6,048,001 |
| Population, female | 2,515,803 | 2,593,847 | 2,674,410 | 2,757,490 | 2,878,001 | 2,972,796 | 3,070,649 |
| Population, male | 2,481,199 | 2,558,155 | 2,637,592 | 2,719,512 | 2,769,001 | 2,860,206 | 2,954,353 |
| Population, age 0-14 | 2,367,602 | 2,460,075 | 2,555,927 | 2,655,193 | 2,756,577 | 2,846,729 | 2,939,706 |
| Population, age 15-64 | 2,500,341 | 2,561,799 | 2,624,881 | 2,689,554 | 2,757,029 | 2,848,087 | 2,942,156 |
| Population, age 65+ | 129,059 | 130,128 | 131,194 | 132,254 | 133,396 | 135,185 | 143,140 |
| Urban population total | 1,878,795 | 2,000,849 | 2,130,910 | 2,269,437 | 2,416,917 | 2,550,167 | 2,690,706 |
| Urban population as % total | 38 | 39 | 40 | 42 | 43 | 44 | 46 |
| Agriculture population density | 12,490 | 12,877 | 13,261 | 13,673 | 14,080 | 14,553 | 15,061 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | 49 | 49 | 49 | 49 | 49 | 50 | 50 |
| Crude death rate (interp series) | 17 | 17 | 16 | 16 | 16 | 16 | 16 |
| Infant mort rate, age 0-1 (interp series) | 95 | 94 | 93 | 92 | 90 | 89 | 88 |
| Child mort rate, age 1-4 (interp series) | 22 | 22 | 21 | 21 | 20 | 20 | 19 |
| Life expectancy, total | 49 | 49 | 49 | 50 | 50 | 50 | 51 |
| Life expectancy, males (interp series) | 47 | 48 | 48 | 48 | 48 | 49 | 49 |
| Life expectancy, female | 51 | 51 | 51 | 52 | 52 | 52 | 52 |
| Total fertility rate (interp series) | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Contraceptive users | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | 0 | 0 | 0 | 0 | 0 | 821 | 0 |
| Population per physician | 0 | 0 | 0 | 0 | 8 | 7 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 | 0 | 2,550 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 | 0 | 20,639 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,346 | 2,352 | 2,219 | 2,231 | 2,227 | 2,152 | 2,112 |
| Daily calorie requirement | 0 | 2,310 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 66 | 66 | 62 | 61 | 60 | 56 | 57 |
| % urban dwellings w/electricity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, rural | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, urban | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | 0 | 95 | 95 | 95 | 98 | 97 | 98 |
| Gross enrollment ratio, male | 0 | 103 | 102 | 101 | 103 | 102 | 103 |
| Gross enrollment ratio, female | 0 | 88 | 88 | 89 | 92 | 92 | 93 |
| % Pups reaching grade 6 | 0 | 0 | 0 | 0 | 82 | 0 | 80 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | 1,714,401 | 1,763,801 | 1,813,201 | 1,862,601 | 1,912,001 | 1,978,201 | 2,044,401 |
| Labor participation rate | 0 | 0 | 0 | 0 | 34 | 0 | 0 |
| Male labor participation rate | 0 | 0 | 0 | 0 | 50 | 0 | 0 |
| Female labor participation rate | 0 | 0 | 0 | 0 | 18 | 0 | 0 |

SOCIAL INDICATORS FOR ZAMBIA
Based Upon World Bank Data

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| LAND | | | | |
| Total land area | 752 | 752 | 752 | 0 |
| Total agricultural land | 402 | 402 | 0 | 0 |
| Arable land | 52 | 52 | 0 | 0 |
| Pasture land | 350 | 350 | 0 | 0 |
| POPULATION | | | | |
| Total population, (interp series) | 6,259,001 | 6,478,001 | 6,704,001 | 6,946,001 |
| Population, female | 3,172,070 | 3,276,548 | 3,384,527 | 0 |
| Population, male | 3,051,932 | 3,152,454 | 3,265,425 | 0 |
| Population, age 0-14 | 3,035,997 | 3,135,074 | 3,239,271 | 0 |
| Population, age 15-64 | 3,073,703 | 3,140,339 | 3,243,696 | 0 |
| Population, age 65+ | 149,282 | 152,589 | 159,033 | 0 |
| Urban population total | 2,839,301 | 2,995,835 | 3,161,641 | 0 |
| Urban population as % total | 47 | 48 | 48 | 0 |
| Agriculture population density | 15,586 | 16,131 | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | |
| Crude birth rate, (interp series) | 49 | 49 | 49 | 0 |
| Crude death rate (interp series) | 0 | 0 | 15 | 0 |
| Infant mort rate, age 0-1 (interp series) | 87 | 85 | 84 | 0 |
| Child mort rate, age 1-4 (interp series) | 0 | 15 | 15 | 0 |
| Life expectancy, total | 51 | 52 | 52 | 0 |
| Life expectancy, males (interp series) | 0 | 0 | 50 | 0 |
| Life expectancy, female | 0 | 0 | 54 | 0 |
| Total fertility rate (interp series) | 7 | 7 | 7 | 0 |
| Contraceptive users | 0 | 0 | 0 | 0 |
| Persons per household | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | |
| Number of physicians | 0 | 0 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,104 | 2,137 | 2,112 | 0 |
| Daily calorie requirement | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 56 | 57 | 55 | 0 |
| % Urban dwellings w/electricity | 0 | 0 | 0 | 0 |
| Safe water access as % of population | 0 | 45 | 0 | 0 |
| Safe water, rural | 0 | 32 | 0 | 0 |
| Safe water, urban | 0 | 70 | 0 | 0 |
| EDUCATION | | | | |
| Gross enrollment ratio | 101 | 102 | 0 | 0 |
| Gross enrollment ratio, male | 106 | 0 | 0 | 0 |
| Gross enrollment ratio, female | 96 | 0 | 0 | 0 |
| % Pups reaching grade 6 | 0 | 0 | 0 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | |
| Labor force size | 2,110,601 | 2,176,801 | 2,243,001 | 2,323,201 |
| Labor participation rate | 0 | 0 | 34 | 0 |
| Male labor participation rate | 0 | 0 | 49 | 0 |
| Female labor participation rate | 0 | 0 | 19 | 0 |

SOCIAL INDICATORS FOR ZAMBIA
Based Upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| Female labor force as % total labor force | 28 | 28 | 27 | 27 | 27 | 28 | 28 |
| Labor in agriculture as % total | 75 | 74 | 74 | 74 | 73 | 0 | 0 |
| Labor in industry | 9 | 9 | 10 | 10 | 10 | 0 | 0 |
| Labor in services | 16 | 16 | 17 | 17 | 17 | 0 | 0 |

SOCIAL INDICATORS FOR ZAMBIA
Based Upon World Bank Data

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| Female labor force as % total labor force | 28 | 28 | 28 | 28 |
| Labor in agriculture as % total | 0 | 0 | 0 | 0 |
| Labor in industry | 0 | 0 | 0 | 0 |
| Labor in services | 0 | 0 | 0 | 0 |

# ZIMBABWE:

## ECONOMIC POLICY PROFILE

### 1. LIBERALIZATION STRATEGY OVERVIEW(1)

At Independence in 1980 Zimbabwe faced the complex task of recovering from the war, reversing the structure of an economy designed to exploit the majority, and providing for resettlement and rehabilitation. Thus, a program of "Growth with Equity" was established to guide development efforts. The Transitional National Development Plan for 1982/83 - 1984/85 sought to start a process of fundamental transformation of the economy by reducing socio-economic dualism, evolving new patterns of production and consumption based on the needs of the people, spreading the benefits of economic growth by expanding employment opportunities, extending social services, and opening up participation in enterprise management.

During 1980 and 1981, the first two years after Independence, Zimbabwe experienced unprecedented rates of economic growth. GDP, which in 1979 was 12% below the 1974 level, grew in 1980 and again in 1981 by 16%. This reflected an improvement in 1980 in the terms of trade by 24%, as well as rapid growth in investment and consumption. A Government relaxation of foreign exchange allocations brought in higher

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(1) The discussion in this paper is based upon analyses and documents of the Government of Zimbabwe, the World Bank, the International Monetary Fund and U.S. A.I.D., as well as discussions with officials in Zimbabwe. It is intended to provide an overview of issues and progress concerning economic management of Zimbabwe's economy and to assist U.S. A.I.D. in considering a five year development strategy for Southern Africa.

levels of capital and intermediate goods, which allowed the manufacturing and service sectors to grow by some 15%. Good weather in 1981 stimulated higher agricultural output, while the terms of trade improved by another 11%. Consumption and investment demand expanded in a liberalized environment of higher foreign exchange allocations. But imports rose without a corresponding increase in exports, resulting in a current account deficit in the balance of payments of some 12% of GDP in 1981. Inflation rose 13% in 1981, partly due to high Government deficits, causing a 10% real appreciation of the Zimbabwe dollar. The fast-growing domestic demand for product and slowly eroding competitive position of Zimbabwe with the outside world resulted in an actual decline of manufactured exports of 29% by the end of 1981.

In 1982 conditions worsened. The terms of trade deteriorated by 3%, with export earnings declining some 5% (measured in US dollars). The balance of payments current account deficit once again was equivalent to 15% of GDP. The Central Government deficit stood at 10% of GDP. In the face of these disturbing trends, a stabilization effort was essential. Tax increases, cuts in Government expenditure, a tightening of control over domestic credit, and a general wage freeze were used to reduce domestic demand. The resulting contraction reduced GDP by 0.6%. One of the worst droughts on record resulted in a fall of agricultural value added by 6% in 1983.

Faced with the deterioration of the economic situation, additional stabilization efforts were adopted. The Zimbabwean dollar was devalued 20% in December, 1982, followed by a succession of additional small adjustments so that during 1983 the real value of the dollar decreased some 11% in real terms. To stimulate exports the export credit period for industrial products was extended from 3 to 6 months. Also an export revolving fund was established to provide producers with imported components of exports, thus helping to remove the foreign exchange constraint from production of manufactured exports. The balance of payments current account deficit was reduced by sharply cutting foreign exchange allocations (some 30% in real terms). These moves resulted in some improvement, with manufactured exports increasing 11% in 1983 and 26% in 1984.

1985 brought a major agriculture-led recovery, but 1986 saw overall economic stagnation and continued decline in fixed capital investment. Foreign exchange allocations in 1987 were sharply cut back, thereby stagnating manufacturing production with its consequent impacts on higher unemployment and reduced investment. Continued drought conditions caused declines in agricultural output and income. The budget deficit for 1986/87 was some 11% of GDP, and expected to be 9% for 1987/88. Commercial bank loans of UK pounds 90 million provided some relief for foreign exchange demand, but did not resolve the underlying shortages or causal conditions.

In general, since Independence, Zimbabwe has experienced an unstable pattern of economic activity. Starting with a major boom in 1980-81, there followed a recession during 1982-84, a sharp but short lived recovery in 1985, with subsequent recession into 1988. Fixed investment did not recover in 1985, but rather has fallen steadily since the 1980-81 boom. Agricultural output has been highly variable and contributed to the 1985 boom. But much of the underlying variation in economic conditions has stemmed from the types of macroeconomic adjustments undertaken.

Firm control over external imbalances in the current account (from 11% of GDP in 1982 to 2% in 1986) was combined with large deficits in the consolidated public sector (including parastatals) of over 13% of GDP. This was managed with a moderate inflation rate of 10-15% and an absence of instability in domestic monetary developments. While immediate post-independence pressures required large government expenditures (to redress severe inherited inequities in public services and human capital, and more recently due to defense requirements in Mozambique), taxes effectively raised sufficient revenue to increase shares from 24% of GDP in 1980/81 to 32% in 1986/87. However, high levels of taxation and a large deficit substantially inhibit fiscal policy as a means of stabilization.

Macroeconomic management has been strong outside of the public sector deficit area. This has included management of foreign exchange allocations, monetary management and wage and pricing policy. Much of the impetus for this sound management comes from a desire to avoid unmanageable external debt burdens. The country shifted from being a major net user of foreign capital from 1980-83 to being a net exporter of capital by 1986. The 1980-83 borrowing stemmed from overly optimistic expectations for exports, terms of trade gains and official capital, leaving a current external debt service ratio of some 35% of exports in 1987. However, Zimbabwe is not highly indebted and the burden is scheduled to fall in the next few years.

Key to the macroeconomic strategy of high public sector deficits and firm control over the balance of payments is the exchange allocation system. Controls over the capital account retain private savings balances in Zimbabwe while manipulation of the foreign exchange allocations maintain the current account and add to private sector saving while holding private sector investment down. Thus, private sector savings exceeded private investment by some 3% in 1981/82 but by 10% of GDP in 1985/86. The financial system has funnelled this surplus saving into Government debt. With the economy closed to external transactions due to capital controls, the high level of savings has moderated the interest rate while allowing it to be market-determined (which has often mean negative real interest rates).

This approach to stabilization inhibits future growth, with much of the burden falling on investment by the private productive sectors in fixed capital. The pattern of instability in real economic activity alone would depress business expectations, but of more importance has been the severe rationing of foreign exchange. Maintenance of the real level of capital stock can barely be maintained, in a situation where high levels of renewal and new investment are required if there is to be future growth.

Growth in the past has depended upon a steady surplus from the primary sectors and rapid expansion of import substitution opportunities in manufacturing. Future growth must come from a more outward looking response to export opportunities. Future growth will likewise require high levels of investment to expand efficient sectors and create new job opportunities.

In this situation Government is searching for a new mix of strategies and tools to regain past levels of economic growth and stimulate job creation. There has been an impasse of sorts with multilateral donors since mid-1986, when the World Bank held up a second structural adjustment loan. Differences between the Bank and Zimbabwe apparently revolved around liberalization of the import regime, reduction of the public deficit and other matters.

On the Government side the Ministry of Finance, Economic Planning and Development is thinking its way through the preparation of a comprehensive program of adjustments aimed at achieving a satisfactory growth in per capita income. Central to this strategy will be a study of the options for trade liberalization. Also under study are ways to reduce the budget deficit and the implications of external financing on the program.

## 2. KEY POLICY ELEMENTS

### 2.A. Exchange Rate Management

Zimbabwe has had a good record of exchange rate management among countries in Sub-Saharan Africa. It has not been pegged to one currency, but rather administered as a flexible exchange rate with frequent adjustments. However, it is combined with virtually complete control over the allocation of foreign exchange, indicating that there is excess demand and a degree

of overvaluation. The need to limit overall demand for foreign exchange and direct its uses to priority activities is symptomatic of overvaluation. One indication of excess demand is the annual demand for foreign exchange which far exceeds available supply. Another indication stems from past attempts at liberalization of allotments, when the supply was exhausted and international reserves were diminished. The continual complaint of producers is that foreign exchange is not available in adequate quantities, with resulting drops in capacity utilization. This indicates that the exchange rate would need to be adjusted substantially before it could act to ration available supply among demanders willing to pay the domestic currency equivalency.

## 2.B. Import Administration

Equilibrium in the external accounts is achieved by rationing foreign exchange. For imports this is achieved by an elaborate administrative rationing procedure which uses a 6 month projection of the balance of payments within a rolling 4 year time horizon to establish available foreign exchange. After deducting legally committed uses (debt service and profit remittances) and providing for sufficient foreign exchange reserves, the remainder is available for allocation first to priority uses (such as fuel, medicines, tires, etc.) and then to sectors and entities in agriculture, mining, manufacturing,and commerce.

The experience of some 20 years in operating this tight system (dating back to the UDI in Rhodesia) has produced bureaucrats capable of making decisions within the guidelines and rules, and an importing sector largely skilled at taking maximum advantage of the system. Based heavily upon historical shares, it provides a built-in advantage to those importers with prior access, without direct consideration of the relative efficiency of use by established vs. new demanders of imports. But the system has inherent problems. The allocative system, distorts investment decisions towards import intensive production where access is allowed. It deprives other sectors of vital foreign exchange, reducing capacity utilization and employment. And it inhibits economic growth through new enterprises.

Another consequence of the coupling of the allocation system with the tariff structure is high to absolute levels of protection for existing producers. Given the efficiency of the allocation system and lack of a significant black market, the quotas established for imported goods through the licensing system provide high levels of effective protection. This protection is guaranteed by actions to prevent importation of goods which compete with domestic import substitutes and to deny new investments which would compete through domestic production with established producers. It has led to high degrees of industrial concentration and necessitates price controls to reduce monopoly profits.

There is a wide-spread and vocal "vested interest" which basically does not wish to see the current administrative system dismantled and replaced by a more realistic exchange rate. Given the necessity of creating the system as part of UDI in Rhodesia, and the relatively short time since Independence, this is understandable. However, it means that Government itself must be its own challenging critic to assure that the import allocation system is truly in the best interests of the country at large and not just of established vested interests.

## 2.C. Export Policies

Zimbabwe offers several incentives to exporters. One is an import duty drawback for industrial firms which export, covering both the basic duty and the import surtax of 20%. Such a measure should place production and pricing on a base as if there were no import duty. In practice, however, time delays in receiving rebates and the cost of borrowing during that delay add costs that would be eliminated if duty had not been levied in the first instance. An export subsidy of 9% applicable to all manufactured goods acts to raise the effective exchange rate received by exporters.

By far the most visible export incentive has been the Export Revolving Fund. In fact, rather than being an incentive, it is more correctly simply the avenue by which producers receive necessary imported inputs. If one starts from the assumption that producers have a right to inputs for production, then providing these necessary inputs (in this case from abroad) is not an incentive. But considering the scarcity of foreign exchange and the overvalued exchange rate, priority of access based upon export performance has served as an incentive, one that has skewed production toward export production and contributed to domestic shortages. The necessity now to create a supplemental allocation of imports to exporters so that they can obtain imports for domestic production indicates the distortions introduced by this means of allocating foreign exchange.

The decision to create additional revolving funds for mining and agriculture recognizes that basic import requirements are not being met from the allocation process. Special criteria (in this case export performance) must be made explicit in the face of a breakdown in the general allocation system's ability to cater for the complex and diverse import requirements of the economy. It is predictable that there will be more splintering and specialization of the import allocation system to cater to groups found inadequately supplied through

the regular allocation quotas. The alternative, one apparently under some consideration by Government, is to place more weight on the exchange rate to allocate available supplies and reduce administrative intervention. A real test of the reform process will be the willingness to move away from administrative intervention and depend on indirect macroeconomic controls. Such steps are necessary in an evolving economy that becomes ever more complex, but are only reluctantly agreed to by vested interests and Governments that feel most comfortable directly controlling the economy.

## 2.D. Industrial Policies

The manufacturing sector is highly developed and well diversified. It produces nearly all types of consumer goods as well as many producer goods. Chemicals, primary metals, metal products and machinery and equipment together account for more than 40% of total manufacturing output. The sector employs some 180,000 people, over 15% of formal sector employment and contributes nearly a quarter of GDP.

The future performance of the manufacturing sector will be critical to overall economic development. For successful adjustment of the economy, manufacturing should be a leading sector in growth of output and employment and as a source of net foreign exchange earnings. Performance will depend upon a significant expansion in non-traditional manufacturing exports and, especially over the longer term, continued selective and efficient import replacement in the intermediate and capital goods industries. The reasonably efficient character of much of the sector provides an important base for future growth, but there are also some major areas of uncertainty. The shift toward higher exports, and probable changes in production for the domestic market, will likely require significant industrial restructuring. Also much of the capital stock is old and in need of replacement. The key issue will be formulating a policy environment conducive to appropriate new investment activity.

In Zimbabwe's First Five Year National Development Plan: 1986-1990, manufacturing is given a key role in changing the structure of the economy and for achieving rapid and sustained overall economic growth and development. The industrialization strategy is based on the long-term objective of using locally produced raw materials in production. Government will play an important role in guiding and encouraging this industrial development and redirection through increased participation in the manufacturing sector. This is a priority strategy because it is a key sector in overall economic development and the decisive sector in the physical restructuring of the economy.

Also Government intends to control industries which are deemed strategic to socio-economic development, with priority given to the establishment of new industries in the intermediate and capital goods sectors because they are crucial to the establishment of an integrated industrial base.

## 2.E. Price Regulation

Inherently a part of the macroeconomic package of controls on the economy, price regulation stems directly from the foreign exchange allocation system and the lack of adequate competition in domestic markets. But well-meaning, price controls create other problems, and are not equally effective in controlling all prices. They are based largely on a cost-plus basis, driving a wedge increasingly between domestic and international prices and denying the economy relevant measures of efficiency according to world standards. These combine to make domestic prices high and therefore the domestic market relatively more lucrative than the export market. A combination of exchange controls, investment policies oriented towards import substitution, and price controls create a strong financial impetus towards domestic as opposed to export activity. This can be said even with the apparent strong response of manufacturers to the export revolving fund; largely they have been using existing capacity to produce for export in order to gain access to imports. Pricing of their product may well be on a marginal cost basis with the lucrative domestic market absorbing part of the cost of production. This creates a situation where domestic consumers and government (in the case of parastatals with deficits) can end up subsidizing foreign consumption.

The price control system is elaborate, similar to the exchange control system, largely deriving from the same historical forces. The strictest control covers basic consumer goods as well as key intermediate inputs and motor vehicles, whose prices can be changed only with prior ministerial and Cabinet approval. The next group of goods is also strictly controlled but change requires only ministerial approval. A third group is covered by prices approved by the Ministry of Trade and Commerce following a pricing formula, which can be applied to change prices as needed. A fourth group of essential and popular consumer goods are subject to maximum mark-ups at the wholesale and retail level. Finally, there is a fifth group covering all other goods for which the mark-up is limited to that which existed in December, 1981. Goods escaping price control include export goods, items sold at public auction, second hand goods and a few other categories of commodities.

## 2.F. Fiscal Policies

The fiscal deficit is a key part of the macroeconomic framework and affects trade development in several ways. Improved public savings and less recourse to public sector borrowing are necessary if investment is to rise without pressure on the interest rate or on external borrowing. The First Five Year National Development Plan recognizes this requirement and sets a goal to reduce the budget deficit from 10% of GDP in 1985/86 to 6% in 1990/91. But there has been no trend to reduce the deficit since Independence. As long as the large deficit continues, fiscal policy cannot be used adequately to manage the economy through indirect controls. Moreover, a much larger burden is placed on the exchange control system (as well as price and wage controls).

The expenditure strategy has involved heavy public investment in improving the welfare and human capital of the population, as well as reorientation of agricultural services towards small holders. But the benefits from this strategy will accrue only over the long run, while the costs appear immediately. Given the policy of holding down external resource transfers (capital inflows) these large deficits reduce the share of national resources going into private investment at the same time that private savings has risen (going into public investment on top of public savings through taxation).

Typically there is less room to operate on the deficit through tax increases than through expenditure cuts. The historical rates of taxation are high and leave only some room to increase efficiency of tax collection as well as expand the base and raise the rates. Parastatal losses are one area where Government can seek recourse to cutting expenditures. Improved management and divestiture as well as reduced explicit subsidiesthrough parastatals are options which can make substantial cuts in public expenditures. This is a difficult part of the macroeconomic package to reform because it is so visible and direct in its impact on those taxed and those subsidized, each having intense interests in changes made.

## 2.G. Financial Sector Policies

Interest rates and credit allocations both stem directly from financial and monetary policies. In Zimbabwe there is no intervention in the allocation of credit to the private sector and short-run monetary management by the Reserve Bank has maintained stable nominal interest rates. Financing of the fiscal deficit has come through a diversion of investment from private to public uses, rather than through monetary expansion and resulting inflationary pressures. But it is this "crowding

out" effect of a combined responsible monetary policy of restraint and a high fiscal deficit which slows investment in the private sector. Growth of job opportunities and the ability to take advantage of external opportunities to export both suffer in a tight credit situation. Investment policy and approval criteria add to constraining investment decisions, as does the lack of foreign exchange for expansion purposes. A loosening of credit availability and more credit flows to new and non-traditional borrowers and sectors will be necessary if the growth targets are to be met.

2.H. Other Policies

Agriculture is the foundation of the economy, with over 70% of the population living in rural areas and deriving their livelihood from farming. In addition, the growth of the economy is largely conditioned by the performance of the agricultural sector. In addition to providing more than 90% of all food requirements, it accounts for some 41% of total merchandise exports. Thus meaningful development must place the agricultural sector as one center piece of development strategy. The Five-Year Plan calls for agricultural output to grow at 5% per year, which is well above the Plan's projected average rate of population growth of 2.76%. This level of output would enable the country to increase its export of agricultural products by 6-7% annually and also to increase the processing of agricultural raw materials. Employment in the agricultural sector is expected to grow by an annual rate of 2.2%, mainly in sub sectors using labor-intensive production techniques such as horticulture.(2)

(2) Republic of Zimbabwe, First Five-Year National Development Plan - 1986-1990, Volume I, April, 1986, p. 25.

The technical potential for future growth of agricultural output is considerable and there are many possibilities for increasing agricultural output through the introduction of new crops. But acceleration of the growth of agricultural output is likely to require further capital investment, including injections of foreign exchange to allow farmers to replace old capital stock. Also if agricultural growth is to be widespread and benefit the majority of the population, then the geographical patterns of production will need to change and shift increasingly toward the communal areas. These areas are not developing nearly as well as they could, if they had greater access to improved support services, marketing and input delivery systems. Price incentives for both modern and traditional farmers will have to be maintained at adequate levels and the problems of land use, distribution and marketing will have to be solved.

DEVELOPMENT INDICATORS FOR ZIMBABWE
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | Local currency | 126.0 | 143.0 | 157.0 | 180.0 | 221.0 |
| Current prices Private Consumption, etc. | Local currency | 722.0 | 844.0 | 848.0 | 947.0 | 1,138.0 |
| Current prices Domestic Absorption | Local currency | 1,068.0 | 1,266.0 | 1,279.0 | 1,522.0 | 1,871.0 |
| Current prices Exports of Goods & NF Services | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices GDP at Factor Cost | Local currency | 1,011.0 | 1,168.0 | 1,330.0 | 1,458.0 | 1,791.0 |
| Current prices Gross Domestic Product | Local currency | 1,079.0 | 1,244.0 | 1,419.0 | 1,553.0 | 1,861.0 |
| Current prices Gross Domestic Savings | Local currency | 231.0 | 257.0 | 414.0 | 426.0 | 502.0 |
| Current prices Gross National Product | Local currency | 1,058.0 | 1,214.0 | 1,384.0 | 1,514.0 | 1,821.0 |
| Current prices Gross National Savings | Local currency | 208.2 | 224.6 | 377.2 | 383.0 | 451.0 |
| Current prices Imports of Goods & NF Services | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Fixed Investment | Local currency | 175.0 | 221.0 | 256.0 | 330.0 | 421.0 |
| Current prices Gross Domestic Investment | Local currency | 220.0 | 279.0 | 374.0 | 395.0 | 512.0 |
| Current prices Net Factor Income (+) or Payments | Local currency | (21.0) | (30.0) | (35.0) | (39.0) | (40.0) |
| Current prices Indirect Taxes Net of Subsidies | Local currency | 68.0 | 76.0 | 83.0 | 103.0 | 70.0 |
| Current prices Resource Balance | Local currency | 11.0 | (22.0) | 40.0 | 31.0 | (10.0) |
| Current prices Value Added in Agriculture | Local currency | 193.0 | 211.0 | 234.0 | 215.0 | 315.0 |
| Current prices Value Added in Industry | Local currency | 367.0 | 415.0 | 485.0 | 569.0 | 681.0 |
| Current prices Value Added in Manufacturing | Local currency | 209.0 | 251.0 | 297.0 | 343.0 | 421.0 |
| Current prices Value Added in Services, etc. | Local currency | 491.0 | 553.0 | 617.0 | 666.0 | 795.0 |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Capital Payments | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Capital Receipts | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Budget Balance | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Expenditure | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Revenue | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MONEY | | | | | | |
| Money Supply, Broadly Defined | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Money as Means of Payment | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Quasi-Monetary Liabilities | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Currency Outside Banks | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Demand Deposits | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRADE | | | | | | |
| Current prices Exports of Manufactures | US $ | 59.0 | 72.4 | 101.9 | 127.8 | 173.7 |
| Current prices Exports of Nonfuel Primary Products | US $ | 310.6 | 331.2 | 411.1 | 562.4 | 694.3 |
| Current prices Value of Exports | US $ | 370.0 | 404.0 | 515.0 | 693.0 | 864.0 |
| Current prices Imports of Fuels | US $ | 25.8 | 26.6 | 27.1 | 37.1 | 99.8 |
| Current prices Imports of Manufactures | US $ | 252.9 | 362.0 | 321.7 | 415.9 | 528.6 |
| Current prices Imports of Nonfuel Primary Products | US $ | 50.4 | 68.1 | 66.9 | 96.0 | 124.5 |
| Current prices Value of Imports, cif | US $ | 329.0 | 396.7 | 415.6 | 549.0 | 753.0 |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | US $, as per IBRD DRS | 4.8 | 5.9 | 6.0 | 5.8 | 5.1 |
| Disbursements of Long-Term Loans | US $, as per IBRD DRS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Long-Term Loans | US $, as per IBRD DRS | (4.9) | (4.9) | (5.8) | (10.7) | (9.6) |
| Repayments on Long-Term Loans | US $, as per IBRD DRS | 4.9 | 4.9 | 5.8 | 10.7 | 9.6 |
| Identified Short-Term Debt | US $, end of year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public/Publicly Guar. Long-Term Debt | US $, IBRD DRS - end of y | 232.6 | 227.1 | 217.0 | 220.6 | 229.5 |
| Public Long Term Debt, IBRD & IDA | US $, IBRD DRS - end of y | 44.1 | 40.5 | 35.6 | 31.5 | 26.9 |
| Public Long Term Debt, Official Creditors | US $, IBRD DRS - end of y | 85.3 | 85.7 | 77.2 | 74.7 | 65.1 |
| Public Long Term Debt, Private Creditors | US $, IBRD DRS - end of y | 144.6 | 141.4 | 139.8 | 145.9 | 155.4 |
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | US $, BoP | (2.5) | (3.3) | (2.7) | (6.6) | (16.8) |
| Merchandise Exports, fob | US $, BoP | 370.0 | 404.0 | 516.0 | 687.0 | 867.0 |
| Exports of Goods & Services | US $, BoP | 417.0 | 453.7 | 575.3 | 760.3 | 960.2 |
| Non-Factor Services Receipts | US $, BoP | 32.0 | 35.0 | 45.0 | 60.0 | 75.0 |

DEVELOPMENT INDICATORS FOR ZIMBABWE
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | | | |
| Current prices General Government Consumption | 256.0 | 319.0 | 382.0 | 451.0 | 537.0 | 677.0 | 763.0 | 973.0 |
| Current prices Private Consumption, etc. | 1,240.0 | 1,375.0 | 1,417.0 | 1,550.0 | 1,937.0 | 2,219.0 | 2,969.0 | 3,394.0 |
| Current prices Domestic Absorption | 2,021.0 | 2,082.0 | 2,146.0 | 2,281.0 | 2,831.0 | 3,542.0 | 4,758.0 | 5,469.0 |
| Current prices Exports of Goods & NF Services | 590.0 | 617.0 | 610.0 | 675.0 | 798.0 | 1,043.0 | 1,117.0 | 1,141.0 |
| Current prices GDP at Factor Cost | 1,902.0 | 2,064.0 | 2,069.0 | 2,259.0 | 2,654.0 | 3,224.0 | 4,055.0 | 4,620.0 |
| Current prices Gross Domestic Product | 1,998.0 | 2,166.0 | 2,198.0 | 2,363.0 | 2,826.0 | 3,439.0 | 4,433.0 | 5,160.0 |
| Current prices Gross Domestic Savings | 502.0 | 472.0 | 399.0 | 362.0 | 352.0 | 543.0 | 701.0 | 793.0 |
| Current prices Gross National Product | 1,952.0 | 2,107.0 | 2,150.0 | 2,322.0 | 2,772.0 | 3,394.0 | 4,318.0 | 4,966.0 |
| Current prices Gross National Savings | 425.0 | 383.7 | 341.3 | 309.2 | 260.0 | 457.6 | 562.8 | 536.4 |
| Current prices Imports of Goods & NF Services | 613.0 | 533.0 | 558.0 | 593.0 | 803.0 | 1,146.0 | 1,442.0 | 1,450.0 |
| Current prices Fixed Investment | 468.0 | 427.0 | 379.0 | 341.0 | 395.0 | 528.0 | 850.0 | 1,039.0 |
| Current prices Gross Domestic Investment | 525.0 | 388.0 | 347.0 | 280.0 | 357.0 | 646.0 | 1,026.0 | 1,102.0 |
| Current prices Net Factor Income (+) or Payments | (46.0) | (59.0) | (48.0) | (41.0) | (54.0) | (45.0) | (115.0) | (194.0) |
| Current prices Indirect Taxes Net of Subsidies | 96.0 | 102.0 | 129.0 | 104.0 | 172.0 | 215.0 | 378.0 | 540.0 |
| Current prices Resource Balance | (23.0) | 84.0 | 52.0 | 82.0 | (5.0) | (103.0) | (325.0) | (309.0) |
| Current prices Value Added in Agriculture | 323.0 | 350.0 | 334.0 | 292.0 | 325.0 | 451.0 | 646.0 | 658.0 |
| Current prices Value Added in Industry | 722.0 | 777.0 | 749.0 | 801.0 | 1,014.0 | 1,248.0 | 1,484.0 | 1,601.0 |
| Current prices Value Added in Manufacturing | 447.0 | 480.0 | 460.0 | 515.0 | 625.0 | 802.0 | 1,016.0 | 1,121.0 |
| Current prices Value Added in Services, etc. | 857.0 | 937.0 | 986.0 | 1,166.0 | 1,315.0 | 1,525.0 | 1,925.0 | 2,361.0 |
| GOVERNMENT | | | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | 0.0 | (118.3) | (95.4) | (253.5) | (293.4) | (376.0) | (261.6) | (545.3) |
| Government Capital Payments | 0.0 | 130.9 | 49.6 | 75.1 | 69.7 | 68.7 | 159.0 | 361.3 |
| Government Capital Receipts | 0.0 | 0.5 | 0.6 | 0.3 | 0.6 | 0.9 | 1.1 | 0.4 |
| Government Current Budget Balance | 0.0 | 12.1 | (46.4) | (178.7) | (224.3) | (308.2) | (103.7) | (184.4) |
| Government Current Expenditure | 0.0 | 479.6 | 621.5 | 751.4 | 835.1 | 1,136.9 | 1,233.7 | 1,715.6 |
| Government Current Revenue | 0.0 | 491.7 | 575.1 | 572.7 | 610.8 | 828.7 | 1,130.0 | 1,531.2 |
| MONEY | | | | | | | | |
| Money Supply, Broadly Defined | 0.0 | 0.0 | 0.0 | 0.0 | 1,636.5 | 2,121.7 | 2,408.2 | 2,889.3 |
| Money as Means of Payment | 324.1 | 351.9 | 374.5 | 415.0 | 463.2 | 632.8 | 678.8 | 826.9 |
| Quasi-Monetary Liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 1,173.3 | 1,488.9 | 1,722.4 | 2,012.4 |
| Currency Outside Banks | 66.9 | 79.1 | 83.9 | 95.2 | 107.6 | 157.2 | 198.6 | 232.5 |
| Demand Deposits | 257.2 | 272.8 | 290.6 | 319.8 | 355.6 | 475.6 | 480.2 | 589.4 |
| TRADE | | | | | | | | |
| Current prices Exports of Manufactures | 212.0 | 241.0 | 206.0 | 219.0 | 347.0 | 404.0 | 334.0 | 343.0 |
| Current prices Exports of Nonfuel Primary Products | 711.0 | 723.0 | 659.0 | 660.0 | 853.0 | 1,002.0 | 1,080.0 | 944.0 |
| Current prices Value of Exports | 936.0 | 974.0 | 877.0 | 891.0 | 1,217.0 | 1,423.0 | 1,406.0 | 1,273.0 |
| Current prices Imports of Fuels | 111.9 | 84.0 | 77.2 | 66.9 | 121.4 | 245.5 | 350.7 | 334.6 |
| Current prices Imports of Manufactures | 589.6 | 442.3 | 451.2 | 439.6 | 666.2 | 947.7 | 1,020.9 | 1,000.2 |
| Current prices Imports of Nonfuel Primary Products | 112.1 | 85.5 | 89.4 | 85.4 | 149.4 | 285.2 | 324.4 | 304.2 |
| Current prices Value of Imports, cif | 813.5 | 611.7 | 617.8 | 592.0 | 937.0 | 1,448.4 | 1,698.7 | 1,638.9 |
| LOANS AND DEBT | | | | | | | | |
| Long-Term Interest Payments | 2.4 | 2.3 | 1.8 | 4.5 | 7.3 | 9.8 | 30.8 | 92.0 |
| Disbursements of Long-Term Loans | 0.0 | 0.0 | 0.0 | 274.4 | 99.8 | 130.1 | 330.4 | 517.9 |
| Net Long-Term Loans | (5.9) | (5.4) | (4.3) | 270.2 | 92.5 | 96.8 | 290.0 | 470.3 |
| Repayments on Long-Term Loans | 5.9 | 5.4 | 4.3 | 4.2 | 7.3 | 34.3 | 39.5 | 47.6 |
| Identified Short-Term Debt | 0.0 | 0.0 | 46.0 | 28.0 | 35.0 | 90.0 | 398.0 | 582.0 |
| Public/Publicly Guar. Long-Term Debt | 189.7 | 144.6 | 153.7 | 418.1 | 523.9 | 697.1 | 793.0 | 1,182.4 |
| Public Long Term Debt, IBRD & IDA | 22.2 | 17.8 | 14.4 | 11.5 | 8.5 | 5.3 | 57.9 | 70.6 |
| Public Long Term Debt, Official Creditors | 55.7 | 45.8 | 43.9 | 41.2 | 38.6 | 103.2 | 167.1 | 303.0 |

DEVELOPMENT INDICATORS FOR ZIMBABWE
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| NATIONAL INCOME | | | | |
| Current prices General Government Consumption | 1,145.0 | 1,341.0 | 1,511.0 | 1,717.0 |
| Current prices Private Consumption, etc. | 3,765.0 | 4,245.0 | 4,734.0 | 5,625.0 |
| Current prices Domestic Absorption | 6,329.0 | 6,661.0 | 8,114.0 | 8,976.0 |
| Current prices Exports of Goods & NF Services | 1,345.0 | 1,708.0 | 2,124.0 | 2,412.0 |
| Current prices GDP at Factor Cost | 5,236.0 | 5,952.0 | 7,303.0 | 8,232.0 |
| Current prices Gross Domestic Product | 6,132.0 | 6,696.0 | 8,099.0 | 9,129.0 |
| Current prices Gross Domestic Savings | 1,222.0 | 1,110.0 | 1,854.0 | 1,787.0 |
| Current prices Gross National Product | 5,884.0 | 6,501.0 | 7,876.0 | 8,806.0 |
| Current prices Gross National Savings | 899.3 | 876.5 | 1,643.7 | 1,405.7 |
| Current prices Imports of Goods & NF Services | 1,542.0 | 1,673.0 | 2,139.0 | 2,259.0 |
| Current prices Fixed Investment | 1,223.0 | 1,110.0 | 1,347.0 | 1,473.0 |
| Current prices Gross Domestic Investment | 1,419.0 | 1,075.0 | 1,369.0 | 1,634.0 |
| Current prices Net Factor Income (+) or Payments | (248.0) | (195.0) | (223.0) | (323.0) |
| Current prices Indirect Taxes Net of Subsidies | 896.0 | 744.0 | 796.0 | 897.0 |
| Current prices Resource Balance | (197.0) | 35.0 | (15.0) | 153.0 |
| Current prices Value Added in Agriculture | 596.0 | 673.0 | 951.0 | 935.0 |
| Current prices Value Added in Industry | 2,206.0 | 2,499.0 | 3,156.0 | 3,762.0 |
| Current prices Value Added in Manufacturing | 1,360.0 | 1,533.0 | 2,118.0 | 2,489.0 |
| Current prices Value Added in Services, etc. | 2,524.0 | 2,780.0 | 3,202.0 | 3,535.0 |
| GOVERNMENT | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (393.7) | (647.4) | (601.8) | (612.6) |
| Government Capital Payments | 377.4 | 392.9 | 483.2 | 0.0 |
| Government Capital Receipts | 0.6 | 0.8 | 17.0 | 0.0 |
| Government Current Budget Balance | (16.9) | (255.3) | (135.6) | 0.0 |
| Government Current Expenditure | 1,905.8 | 2,364.8 | 2,412.6 | 0.0 |
| Government Current Revenue | 1,888.9 | 2,109.5 | 2,277.0 | 2,651.9 |
| MONEY | | | | |
| Money Supply, Broadly Defined | 2,854.5 | 3,281.6 | 3,903.3 | 4,368.5 |
| Money as Means of Payment | 751.4 | 873.5 | 1,015.6 | 1,125.0 |
| Quasi-Monetary Liabilities | 2,103.1 | 2,408.1 | 2,887.7 | 3,243.5 |
| Currency Outside Banks | 227.4 | 258.8 | 321.1 | 379.7 |
| Demand Deposits | 524.0 | 614.7 | 694.5 | 745.3 |
| TRADE | | | | |
| Current prices Exports of Manufactures | 337.0 | 358.8 | 384.1 | 305.2 |
| Current prices Exports of Nonfuel Primary Products | 774.0 | 778.9 | 713.3 | 629.1 |
| Current prices Value of Exports | 1,128.0 | 1,154.3 | 1,112.7 | 999.5 |
| Current prices Imports of Fuels | 229.4 | 176.7 | 186.2 | 71.0 |
| Current prices Imports of Manufactures | 749.6 | 626.1 | 694.8 | 872.8 |
| Current prices Imports of Nonfuel Primary Products | 335.1 | 152.3 | 149.9 | 155.3 |
| Current prices Value of Imports, cif | 1,205.1 | 955.0 | 1,030.9 | 1,099.0 |
| LOANS AND DEBT | | | | |
| Long-Term Interest Payments | 107.2 | 120.9 | 115.0 | 117.3 |
| Disbursements of Long-Term Loans | 778.2 | 234.7 | 220.2 | 287.2 |
| Net Long-Term Loans | 444.8 | 54.2 | 26.5 | 65.7 |
| Repayments on Long-Term Loans | 333.4 | 180.5 | 191.7 | 221.5 |
| Identified Short-Term Debt | 481.0 | 344.0 | 308.0 | 489.0 |
| Public/Publicly Guar. Long-Term Debt | 1,538.6 | 1,412.2 | 1,545.2 | 1,711.8 |
| Public Long Term Debt, IBRD & IDA | 111.1 | 171.3 | 218.9 | 262.4 |
| Public Long Term Debt, Official Creditors | 401.8 | 491.3 | 652.0 | 817.6 |

DEVELOPMENT INDICATORS FOR ZIMBABWE
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| Factor Service Receipts | US $, BoP | 15.0 | 14.7 | 14.3 | 16.3 | 18.2 |
| Factor Service Payments | US $, BoP | 36.0 | 45.1 | 49.4 | 54.8 | 70.9 |
| Merchandise Imports, fob | US $, BoP | 346.9 | 405.6 | 457.8 | 604.0 | 816.2 |
| Imports of Goods & Services | US $, BoP | 438.4 | 507.8 | 571.8 | 773.8 | 1,037.0 |
| Non-Factor Services Payments | US $, BoP | 45.5 | 57.1 | 64.6 | 115.0 | 149.9 |
| Increase (-) in Reserves | US $, BoP | 7.6 | 14.2 | (55.2) | (63.4) | 53.9 |
| Other Net Long-Term Inflows | US $, BoP | 31.2 | 35.4 | 3.4 | 62.3 | 72.2 |
| Current Account Balance | US $, BoP | (13.9) | (57.4) | 0.8 | (17.3) | (95.6) |
| Net Foreign Direct Investment | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Long-Term Capital Inflow | US $, BoP | 26.3 | 30.5 | (2.4) | 51.6 | 62.6 |
| Other Net Capital Inflows | US $, BoP | 20.0 | 12.7 | 56.8 | 29.1 | (20.9) |
| INDICIES | | | | | | |
| Terms of Trade Index | US dollar-based | 178.1 | 149.4 | 139.3 | 147.1 | 116.5 |
| Constant price Exports, fob | 1980 US $ | 927.0 | 1,017.4 | 1,248.2 | 1,250.7 | 1,328.3 |
| Constant price Imports, cif | 1980 US $ | 1,468.4 | 1,492.4 | 1,403.2 | 1,457.3 | 1,348.2 |
| Domestic Absorption Deflator | 1980=100 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GDP Deflator | 1980=100 | 41.2 | 43.6 | 45.9 | 48.8 | 54.9 |
| Agricultural Value Added Deflator | 1980=100 | 42.9 | 44.2 | 45.7 | 51.9 | 64.4 |
| Industrial Value Added Deflator | 1980=100 | 37.7 | 40.2 | 42.5 | 45.2 | 52.9 |
| Manufacturing Real Output per Employee | 1980=100 | 97.5 | 89.2 | 94.5 | 98.2 | 98.9 |
| Manufacturing Real Earnings per Employee | 1980=100 | 82.0 | 83.1 | 85.0 | 90.1 | 93.4 |
| Fuel Export Price Index | 1980=100, US dollar-based | 4.3 | 5.6 | 6.2 | 8.9 | 36.7 |
| Manufactures Export Price Index | 1980=100, US dollar-based | 37.5 | 36.5 | 38.5 | 49.5 | 67.2 |
| Nonfuel Primary Products Export Price Index | 1980=100, US dollar-based | 40.9 | 40.8 | 43.2 | 58.5 | 65.0 |
| Export Price Index, fob | 1980=100, US dollar-based | 39.9 | 39.7 | 41.3 | 55.4 | 65.0 |
| Import Price Index, cif | 1980=100, US dollar-based | 22.4 | 26.6 | 29.6 | 37.7 | 55.8 |
| Conversion Factor, Annual Average | Local currency per U.S. d | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 |

DEVELOPMENT INDICATORS FOR ZIMBABWE
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| Public Long Term Debt, Private Creditors | 134.0 | 98.8 | 109.8 | [illegible] | 485.3 | 593.9 | 625.9 | 879.4 |
| BALANCE OF PAYMENTS | | | | | | | | |
| Net Current Transfers | (54.4) | (46.9) | (15.4) | (17.4) | (55.9) | (62.9) | (33.6) | (82.5) |
| Merchandise Exports, fob | 922.0 | 900.0 | 901.0 | 923.2 | 1,079.6 | 1,445.5 | 1,451.8 | 1,314.0 |
| Exports of Goods & Services | 1,042.0 | 1,017.0 | 1,005.2 | 1,028.9 | 1,230.4 | 1,719.5 | 1,680.1 | 1,575.8 |
| Non-Factor Services Receipts | 80.0 | 78.0 | 64.4 | 67.7 | 87.2 | 166.9 | 132.3 | 180.1 |
| Factor Service Receipts | 40.0 | 39.0 | 39.8 | [illegible] | [illegible] | 107.1 | 96.0 | 81.7 |
| Factor Service Payments | 102.0 | 112.0 | 114.2 | 97.3 | 142.2 | 179.2 | 226.8 | 206.2 |
| Merchandise Imports, fob | 844.0 | 652.0 | 671.3 | 654.3 | [illegible] | 1,339.0 | 1,535.4 | 1,471.0 |
| Imports of Goods & Services | 1,190.8 | 962.1 | 1,004.0 | 974.2 | 1,297.2 | 1,906.2 | 2,263.9 | 2,199.6 |
| Non-Factor Services Payments | 243.8 | 198.1 | 217.9 | 222.7 | 265.9 | 381.0 | 521.8 | 420.4 |
| Increase (-) in Reserves | (9.2) | 3.3 | 8.1 | (75.0) | (119.9) | 86.5 | 7.9 | 22.4 |
| Other Net Long-Term Inflows | 152.9 | 29.4 | (21.9) | (120.8) | 53.8 | (151.1) | (211.5) | (100.5) |
| Current Account Balance | (203.2) | 8.0 | (14.0) | 37.2 | (108.7) | (243.9) | (637.6) | (736.5) |
| Net Foreign Direct Investment | 0.0 | 0.9 | (3.9) | 2.5 | 0.1 | 1.6 | 3.8 | (0.7) |
| Net Long-Term Capital Inflow | 147.0 | 24.0 | (30.0) | 151.9 | 145.4 | (53.8) | 83.1 | 369.2 |
| Other Net Capital Inflows | 65.4 | (35.3) | 35.9 | (114.1) | 82.2 | 211.2 | 546.6 | 314.9 |
| INDICIES | | | | | | | | |
| Terms of Trade Index | 111.0 | 123.7 | 116.6 | 106.0 | 104.2 | 100.0 | 92.1 | 87.4 |
| Constant price Exports, fob | 1,457.6 | 1,337.6 | 1,159.6 | 1,151.3 | 1,365.9 | 1,423.0 | 1,478.7 | 1,499.4 |
| Constant price Imports, cif | 1,406.7 | 1,039.6 | 952.7 | 810.7 | 1,095.8 | 1,448.4 | 1,643.0 | 1,686.4 |
| Domestic Absorption Deflator | 0.0 | 65.3 | 75.4 | [illegible] | 87.1 | 100.0 | 109.6 | 127.8 |
| GDP Deflator | 60.2 | 65.1 | 75.0 | 7[illegible].8 | 87.1 | 100.0 | 110.4 | 130.0 |
| Agricultural Value Added Deflator | 70.2 | 68.4 | 82.9 | 65.8 | [illegible] | 100.0 | 125.4 | 137.7 |
| Industrial Value Added Deflator | 56.5 | 63.6 | 66.3 | 74.0 | 86.8 | 100.0 | 111.2 | 120.8 |
| Manufacturing Real Output per Employee | 95.8 | 92.1 | 96.2 | [illegible]91.0 | 97.6 | 100.0 | 101.2 | 100.5 |
| Manufacturing Real Earnings per Employee | 95.6 | 95.0 | 93.3 | 95.9 | [illegible]89.6 | 100.0 | 116.5 | 117.7 |
| Fuel Export Price Index | 35.7 | 38.4 | 42.0 | 42.3 | 61.0 | 100.0 | 112.5 | 101.6 |
| Manufactures Export Price Index | 66.1 | 66.7 | 71.7 | 76.1 | 93.6 | 100.0 | 99.1 | 94.8 |
| Nonfuel Primary Products Export Price Index | 64.6 | 76.1 | 78.1 | 79.0 | 89.6 | 100.0 | 93.7 | 81.6 |
| Export Price Index, fob | 64.2 | 72.8 | 75.6 | 77.4 | 89.1 | 100.0 | 95.1 | 84.9 |
| Import Price Index, cif | 57.8 | 58.8 | 64.9 | 73.0 | 85.5 | 100.0 | 103.2 | 97.2 |
| Conversion Factor, Annual Average | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 |

DEVELOPMENT INDICATORS FOR ZIMBABWE
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| Public Long Term Debt, Private Creditors | 1,136.8 | 920.9 | 893.2 | 894.2 |
| BALANCE OF PAYMENTS | | | | |
| Net Current Transfers | (73.8) | 49.4 | (55.0) | (35.0) |
| Merchandise Exports, fob | 1,155.2 | 1,175.3 | 1,151.0 | 1,330.0 |
| Exports of Goods & Services | 1,369.7 | 1,369.9 | 1,320.0 | 1,520.0 |
| Non-Factor Services Receipts | 144.1 | 138.9 | 125.0 | 155.0 |
| Factor Service Receipts | 70.4 | 55.8 | 44.0 | 35.0 |
| Factor Service Payments | 282.7 | 178.0 | 161.0 | 229.0 |
| Merchandise Imports, fob | 1,068.6 | 988.5 | 965.0 | 1,015.0 |
| Imports of Goods & Services | 1,754.6 | 1,516.6 | 1,447.0 | 1,576.0 |
| Non-Factor Services Payments | 417.2 | 350.0 | 321.0 | 332.0 |
| Increase (-) in Reserves | 174.0 | 46.3 | (108.0) | (62.6) |
| Other Net Long-Term Inflows | (282.5) | 36.6 | (30.5) | (75.7) |
| Current Account Balance | (458.7) | (97.5) | (182.0) | (91.0) |
| Net Foreign Direct Investment | (2.0) | (2.5) | 3.0 | 0.0 |
| Net Long-Term Capital Inflow | 160.2 | 88.4 | 92.0 | 29.0 |
| Other Net Capital Inflows | 124.5 | (37.2) | 198.0 | 114.0 |
| INDICIES | | | | |
| Terms of Trade Index | 94.6 | 95.8 | 88.5 | 86.4 |
| Constant price Exports, fob | 1,287.4 | 1,305.1 | 1,385.0 | 1,202.2 |
| Constant price Imports, cif | 1,276.5 | 1,024.9 | 1,135.2 | 1,141.7 |
| Domestic Absorption Deflator | 144.0 | 165.4 | 182.9 | 221.2 |
| GDP Deflator | 145.1 | 165.3 | 182.9 | 205.9 |
| Agricultural Value Added Deflator | 125.6 | 135.7 | 154.9 | 173.1 |
| Industrial Value Added Deflator | 179.6 | 199.0 | 236.3 | 275.0 |
| Manufacturing Real Output per Employee | 93.2 | 85.2 | 79.6 | 0.0 |
| Manufacturing Real Earnings per Employee | 101.8 | 92.0 | 99.0 | 0.0 |
| Fuel Export Price Index | 92.5 | 90.2 | 87.5 | 45.0 |
| Manufactures Export Price Index | 90.7 | 89.3 | 89.0 | 103.2 |
| Nonfuel Primary Products Export Price Inde | 86.6 | 88.0 | 76.2 | 75.2 |
| Export Price Index, fob | 89.3 | 88.4 | 80.7 | 83.1 |
| Import Price Index, cif | 94.4 | 92.3 | 90.8 | 96.3 |
| Conversion Factor, Annual Average | 1.1 | 1.2 | 1.6 | 1.7 |

SOCIAL INDICATORS FOR ZIMBABWE
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | SQ KILOM. | 391 | 391 | 391 | 391 | 391 | 391 |
| Total agricultural land | SQ KILOM. | 72 | 73 | 73 | 73 | 74 | 74 |
| Arable land | SQ KILOM. | 23 | 24 | 24 | 24 | 25 | 25 |
| Pasture land | SQ KILOM. | 49 | 49 | 49 | 49 | 49 | 49 |
| POPULATION | | | | | | | |
| Total population, (interp series) | NUMBER | 5,249,[illegible] | 5,4[illegible] | 5,5[illegible] | 5,724,000 | 5,[illegible] | 6,065,001 |
| Population, female | NUMBER | 2,651,199 | 2,728,459 | 2,807,709 | 2,889,452 | 2,[illegible] | 3,060,204 |
| Population, male | NUMBER | 2,597,803 | 2,674,541 | 2,757,295 | 2,834,550 | 2,918,715 | 3,004,798 |
| Population, age 0-14 | NUMBER | 2,463,858 | 2,540,293 | 2,618,830 | 2,699,953 | 2,783,671 | 2,869,997 |
| Population, age 15-64 | NUMBER | 2,641,461 | 2,719,[illegible] | 2,799,465 | 2,[illegible] | 2,[illegible] | 3,[illegible] |
| Population, age 65+ | NUMBER | 143,681 | 148,[illegible] | 152,707 | 157,430 | 162,305 | 167,330 |
| Urban population total | NUMBER | 0 | [illegible] | 0 | [illegible] | 1,[illegible] | 0 |
| Urban population as % total | PERCENT | 17 | 18 | 19 | 20 | 21 | 22 |
| Agriculture population density | NUMBER | 72,520 | 74,[illegible] | 75,[illegible] | 76,154 | 76,[illegible] | 82,152 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 52 | 52 | 52 | 52 | 51 | 51 |
| Crude death rate (interp series) | NUMBER | 16 | 15 | 15 | 15 | 14 | 14 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 96 | 95 | 93 | 92 | 90 | 89 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 13 | 0 | 0 | 0 | 0 | 0 |
| Life expectancy, total | NUMBER | 50 | 51 | 51 | 52 | 52 | 53 |
| Life expectancy, males (interp series) | NUMBER | 49 | 49 | 50 | 50 | 51 | 51 |
| Life expectancy, female | NUMBER | 52 | 53 | 53 | 54 | 54 | 55 |
| Total fertility rate (interp series) | NUMBER | 6 | 6 | 6 | 7 | 7 | 7 |
| Contraceptive acceptors | NUMBER | 0 | [illegible] | 18,[illegible] | [illegible],[illegible] | 56,[illegible] | 322,001 |
| Contraceptive users | NUMBER | 0 | [illegible] | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | NUMBER | 822 | [illegible] | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 6 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | [illegible] | 0 | 8,[illegible] | 0 | 0 |
| Population per nurse | NUMBER | 0 | [illegible] | 0 | 1 | 0 | 0 |
| Number of hospital beds | NUMBER | 18,015 | [illegible] | 0 | 0 | 0 | [illegible] |
| Pop per hospital bed | NUMBER | 0 | [illegible] | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,172 | 2,177 | 2,[illegible] | 2,173 | 2,[illegible] | 2,025 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 56 | 55 | 62 | 59 | 58 | 57 |
| Safe water access as % of population | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, rural | PERCENT | 0 | [illegible] | 0 | 0 | 0 | 0 |
| Safe water, urban | PERCENT | 0 | [illegible] | [illegible] | 0 | 0 | 0 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | PERCENT | 74 | 0 | 0 | 0 | 0 | 73 |
| Gross enrollment ratio, male | PERCENT | 81 | 0 | 0 | 0 | 0 | 79 |
| Gross enrollment ratio, female | PERCENT | 66 | 0 | 0 | 0 | 0 | 67 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | [illegible] | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | NUMBER | 2,249,001 | 2,314,[illegible] | 2,[illegible] | 2,444,[illegible] | 2,5[illegible] | 2,575,001 |
| Labor participation rate | PERCENT | 42 | 0 | 0 | 0 | 0 | 41 |
| Male labor participation rate | PERCENT | 53 | 0 | 0 | 0 | 0 | 53 |
| Female labor participation rate | PERCENT | 32 | 0 | 0 | 0 | 0 | 31 |
| Female labor force as % total labor force | PERCENT | 38 | 38 | 37 | 37 | 37 | 37 |
| Labor in agriculture as % total | PERCENT | 77 | 77 | 76 | 76 | 76 | 75 |
| Labor in industry | PERCENT | 9 | 9 | 9 | 9 | 9 | 10 |
| Labor in services | PERCENT | 14 | 14 | 15 | 15 | 15 | 15 |

SOCIAL INDICATORS FOR ZIMBABWE
Based Upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | 391 | 391 | 391 | 391 | 391 | 391 | 391 |
| Total agricultural land | 74 | 74 | 74 | 74 | 74 | 75 | 76 |
| Arable land | 25 | 25 | 25 | 25 | 25 | 26 | 27 |
| Pasture land | 49 | 49 | 49 | 49 | 49 | 49 | 49 |
| POPULATION | | | | | | | |
| Total population, (interp series) | 6,243,001 | 6,426,001 | 6,615,001 | 6,809,001 | 7,009,001 | 7,268,001 | 7,538,001 |
| Population, female | 3,149,550 | 3,241,171 | 3,335,777 | 3,432,863 | 3,505,518 | 3,630,554 | 3,759,591 |
| Population, male | 3,093,452 | 3,184,831 | 3,279,225 | 3,376,139 | 3,503,484 | 3,628,448 | 3,757,411 |
| Population, age 0-14 | 3,013,461 | 3,161,192 | 3,313,720 | 3,470,595 | 3,632,548 | 3,781,688 | 3,933,744 |
| Population, age 15-64 | 3,073,746 | 3,119,659 | 3,165,928 | 3,212,093 | 3,258,346 | 3,352,135 | 3,450,706 |
| Population, age 65+ | 155,795 | 145,151 | 135,354 | 126,315 | 118,108 | 125,180 | 132,552 |
| Urban population total | 0 | 0 | 0 | 0 | 1,619,080 | 1,723,519 | 1,834,465 |
| Urban population as % total | 22 | 23 | 24 | 25 | 26 | 26 | 26 |
| Agriculture population density | 84,571 | 87,014 | 89,489 | 92,066 | 94,780 | 96,469 | 98,691 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | 50 | 50 | 50 | 49 | 49 | 49 | 49 |
| Crude death rate (interp series) | 14 | 13 | 13 | 13 | 13 | 13 | 13 |
| Infant mort rate, age 0-1 (interp series) | 87 | 86 | 85 | 85 | 84 | 84 | 83 |
| Child mort rate, age 1-4 (interp series) | 0 | 0 | 0 | 0 | 0 | 0 | 11 |
| Life expectancy, total | 53 | 54 | 54 | 54 | 55 | 55 | 56 |
| Life expectancy, males (interp series) | 52 | 52 | 52 | 53 | 53 | 54 | 54 |
| Life expectancy, female | 55 | 56 | 56 | 56 | 57 | 57 | 58 |
| Total fertility rate (interp series) | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Contraceptive acceptors | 0 | 480,000 | 507,000 | 0 | 0 | 0 | 0 |
| Contraceptive users | 5 | 0 | 0 | 14 | 14 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | 0 | 0 | 0 | 0 | 1,148 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 | 6 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 | 7,609 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 | 21,418 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,119 | 2,173 | 2,146 | 2,135 | 2,119 | 2,076 | 2,064 |
| Daily calorie requirement | 0 | 2,390 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 58 | 59 | 60 | 57 | 54 | 52 | 52 |
| Safe water access as % of population | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, rural | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, urban | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | 72 | 70 | 67 | 61 | 88 | 117 | 126 |
| Gross enrollment ratio, male | 78 | 75 | 67 | 65 | 0 | 122 | 131 |
| Gross enrollment ratio, female | 66 | 65 | 59 | 57 | 0 | 113 | 121 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 | 31 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | 2,656,001 | 2,737,001 | 2,818,001 | 2,899,001 | 2,980,001 | 3,066,001 | 3,152,001 |
| Labor participation rate | 0 | 0 | 0 | 0 | 40 | 0 | 0 |
| Male labor participation rate | 0 | 0 | 0 | 0 | 52 | 0 | 0 |
| Female labor participation rate | 0 | 0 | 0 | 0 | 29 | 0 | 0 |
| Female labor force as % total labor force | 37 | 37 | 37 | 37 | 37 | 37 | 36 |
| Labor in agriculture as % total | 75 | 74 | 74 | 73 | 73 | 0 | 0 |

SOCIAL INDICATORS FOR ZIMBABWE
Based Upon World Bank Data

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| LAND | | | | |
| Total land area | 391 | 391 | 391 | 0 |
| Total agricultural land | 75 | 75 | 0 | 0 |
| Arable land | 26 | 26 | 0 | 0 |
| Pasture land | 49 | 49 | 0 | 0 |
| POPULATION | | | | |
| Total population, (interp series) | 7,817,001 | 8,106,001 | 8,406,001 | 8,705,001 |
| Population, female | 3,902,133 | 4,050,676 | 4,201,604 | 0 |
| Population, male | 3,899,869 | 4,048,326 | 4,194,398 | 0 |
| Population, age 0-14 | 4,098,537 | 4,268,089 | 4,441,045 | 0 |
| Population, age 15-64 | 3,562,896 | 3,681,931 | 3,807,231 | 0 |
| Population, age 65+ | 140,570 | 148,982 | 157,724 | 0 |
| Urban population total | 1,957,035 | 2,089,697 | 2,227,591 | 0 |
| Urban population as % total | 26 | 27 | 27 | 0 |
| Agriculture population density | 103,731 | 107,535 | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | |
| Crude birth rate, (interp series) | 48 | 48 | 47 | 0 |
| Crude death rate (interp series) | 0 | 0 | 11 | 0 |
| Infant mort rate, age 0-1 (interp series) | 81 | 79 | 77 | 0 |
| Child mort rate, age 1-4 (interp series) | 0 | 7 | 7 | 0 |
| Life expectancy, total | 56 | 57 | 57 | 0 |
| Life expectancy, males (interp series) | 0 | 0 | 55 | 0 |
| Life expectancy, female | 0 | 0 | 59 | 0 |
| Total fertility rate (interp series | 7 | 6 | 6 | 0 |
| Contraceptive acceptors | | 0 | 0 | |
| Contraceptive users | 0 | 40 | 0 | 0 |
| HEALTH AND NUTRITION | | | | |
| Number of physicians | 0 | 0 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,094 | 2,054 | 2,144 | 0 |
| Daily calorie requirement | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 51 | 50 | 52 | 0 |
| Safe water access as % of population | 0 | 52 | 0 | 0 |
| Safe water, rural | 0 | 10 | 0 | 0 |
| Safe water, urban | 0 | 100 | 0 | 0 |
| EDUCATION | | | | |
| Gross enrollment ratio | 130 | 131 | 131 | 0 |
| Gross enrollment ratio, male | 135 | 135 | 135 | 0 |
| Gross enrollment ratio, female | 126 | 127 | 128 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | |
| Labor force size | 3,238,001 | 3,324,001 | 3,410,001 | 3,512,201 |
| Labor participation rate | 0 | 0 | 39 | 0 |
| Male labor participation rate | 0 | 0 | 50 | 0 |
| Female labor participation rate | 0 | 0 | 28 | 0 |
| Female labor force as % total labor force | 36 | 36 | 36 | 35 |
| Labor in agriculture as % total | 0 | 0 | 0 | 0 |

SOCIAL INDICATORS FOR ZIMBABWE
Based Upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| Labor in industry | 10 | 10 | 10 | 10 | 11 | 0 | 0 |
| Labor in services | 16 | 16 | 16 | 16 | 17 | 0 | 0 |

SOCIAL INDICATORS FOR ZIMBABWE
Based Upon World Bank Data

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| Labor in industry | 2 | 2 | 0 | |
| Labor in services | 1 | 0 | 1 | |

XI-A

World Bank Development Indicators Table:

ANGOLA

Data Not Available

SOCIAL INDICATORS FOR ANGOLA
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| LAND | | | | | | | | | | | |
| Total land area | SQ KILOM. | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 |
| Total agricultural land | SQ KILOM. | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 | 325 |
| Arable land | SQ KILOM. | 29 | 29 | 29 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Pasture land | SQ KILOM. | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 |
| POPULATION | | | | | | | | | | | |
| Total population, (interp series) | NUMBER | 5,588,001 | 5,763,001 | 5,944,001 | 6,130,001 | 6,322,001 | 6,520,001 | 6,725,001 | 6,937,001 | 7,217,001 | 7,466,001 |
| Population, female | NUMBER | 2,846,864 | 2,935,983 | 3,027,705 | 3,121,944 | 3,219,287 | 3,319,233 | 3,423,173 | 3,550,356 | 3,671,549 | 3,797,257 |
| Population, male | NUMBER | 2,741,138 | 2,827,019 | 2,916,297 | 3,008,058 | 3,102,795 | 3,200,769 | 3,311,829 | 3,426,644 | 3,545,453 | 3,668,745 |
| Population, age 0-14 | NUMBER | 2,415,666 | 2,497,313 | 2,581,931 | 2,669,893 | 2,759,251 | 2,852,428 | 2,969,442 | 3,082,461 | 3,203,962 | 3,330,435 |
| Population, age 15-64 | NUMBER | 3,010,043 | 3,097,511 | 3,187,784 | 3,280,311 | 3,375,611 | 3,473,658 | 3,582,431 | 3,694,781 | 3,809,406 | 3,928,595 |
| Population, age 65+ | NUMBER | 162,292 | 168,178 | 174,288 | 180,598 | 187,140 | 193,916 | 197,129 | 200,360 | 203,634 | 206,972 |
| Urban population total | NUMBER | 838,200 | 894,552 | 954,776 | 1,018,941 | 1,087,450 | 1,160,561 | 1,240,973 | 1,326,810 | 1,418,589 | 1,516,860 |
| Urban population as % total | PERCENT | 15 | 16 | 16 | 17 | 17 | 18 | 18 | 19 | 20 | 20 |
| Agriculture population density | NUMBER | 17,215 | 17,743 | 18,301 | 18,862 | 19,452 | 20,062 | 20,754 | 21,468 | 22,206 | 22,972 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 47 |
| Crude death rate (interp series) | NUMBER | 27 | 26 | 25 | 25 | 25 | 24 | 24 | 24 | 23 | 23 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 178 | 176 | 173 | 170 | 168 | 165 | 163 | 160 | 158 | 156 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 46 | 0 | 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Life expectancy, total | NUMBER | 37 | 37 | 38 | 38 | 39 | 39 | 39 | 40 | 40 | 41 |
| Life expectancy, males (interp series) | NUMBER | 36 | 36 | 37 | 37 | 37 | 38 | 38 | 39 | 39 | 39 |
| Life expectancy, female | NUMBER | 39 | 39 | 40 | 40 | 40 | 41 | 41 | 42 | 42 | 42 |
| Total fertility rate (interp series) | NUMBER | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Contraceptive users | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |

| TITLE | UNIT | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|
| LAND | | | | | | | | |
| Total land area | SQ KILOM. | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 0 |
| Total agricultural land | SQ KILOM. | 325 | 325 | 325 | 325 | 325 | 0 | 0 |
| Arable land | SQ KILOM. | 30 | 30 | 30 | 30 | 30 | 30 | 0 |
| Pasture land | SQ KILOM. | 290 | 290 | 290 | 290 | 290 | 290 | 0 |
| POPULATION | | | | | | | | |
| Total population, (interp series) | NUMBER | 7,723,001 | 7,919,001 | 8,120,001 | 8,326,001 | 8,537,001 | 8,754,001 | 8,999,001 |
| Population, female | NUMBER | 3,927,919 | 4,027,604 | 4,129,833 | 4,234,605 | 4,342,936 | 4,438,978 | 0 |
| Population, male | NUMBER | 3,795,083 | 3,891,398 | 3,990,169 | 4,091,397 | 4,196,066 | 4,317,024 | 0 |
| Population, age 0-14 | NUMBER | 3,461,483 | 3,552,121 | 3,645,395 | 3,741,308 | 3,840,780 | 3,942,794 | 0 |
| Population, age 15-64 | NUMBER | 4,051,196 | 4,150,891 | 4,252,829 | 4,356,990 | 4,464,396 | 4,573,221 | 0 |
| Population, age 65+ | NUMBER | 210,343 | 215,990 | 221,778 | 227,705 | 233,826 | 239,987 | 0 |
| Urban population total | NUMBER | 1,621,831 | 1,715,529 | 1,814,645 | 1,919,465 | 2,030,761 | 2,148,155 | 0 |
| Urban population as % total | PERCENT | 21 | 22 | 23 | 24 | 24 | 25 | 0 |
| Agriculture population density | NUMBER | 23,763 | 24,366 | 24,985 | 25,619 | 26,268 | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 47 | 47 | 47 | 47 | 47 | 46 | 0 |
| Crude death rate (interp series) | NUMBER | 23 | 23 | 22 | 0 | 0 | 22 | 0 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 153 | 151 | 149 | 147 | 145 | 143 | 0 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 0 | 0 | 32 | 0 | 30 | 30 | 0 |
| Life expectancy, total | NUMBER | 41 | 41 | 42 | 42 | 43 | 44 | 0 |
| Life expectancy, males (interp series) | NUMBER | 40 | 40 | 40 | 0 | 0 | 43 | 0 |
| Life expectancy, female | NUMBER | 43 | 43 | 44 | 0 | 0 | 45 | 0 |
| Total fertility rate (interp series) | NUMBER | 6 | 6 | 6 | 6 | 6 | 6 | 0 |
| Contraceptive users | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| HEALTH AND NUTRITION | | | | | | | | | | | |
| Number of physicians | NUMBER | 650 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 0 | 0 | 3,399 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | 15,205 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,047 | 2,067 | 2,024 | 2,004 | 2,004 | 1,927 | 1,985 | 2,151 | 2,156 | 2,171 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,350 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 44 | 44 | 42 | 40 | 41 | 41 | 40 | 46 | 46 | 46 |
| Safe water access as % of population | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, rural | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water, urban | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EDUCATION | | | | | | | | | | | |
| Gross enrollment ratio | PERCENT | 75 | 0 | 66 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, male | PERCENT | 98 | 0 | 85 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, female | PERCENT | 53 | 0 | 48 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | | | | | |
| Labor force size | NUMBER | 2,599,001 | 2,670,601 | 2,742,201 | 2,813,801 | 2,885,401 | 2,957,001 | 3,048,201 | 3,139,401 | 3,230,601 | 3,321,801 |
| Labor participation rate | PERCENT | 47 | 0 | 0 | 0 | 0 | 45 | 0 | 0 | 0 | 0 |
| Male labor participation rate | PERCENT | 56 | 0 | 0 | 0 | 0 | 55 | 0 | 0 | 0 | 0 |
| Female labor participation rate | PERCENT | 38 | 0 | 0 | 0 | 0 | 37 | 0 | 0 | 0 | 0 |
| Female labor force as % total labor force | PERCENT | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 |
| Labor in agriculture as % total | PERCENT | 78 | 77 | 77 | 77 | 76 | 76 | 75 | 75 | 75 | 74 |
| Labor in industry | PERCENT | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 10 |
| Labor in services | PERCENT | 14 | 14 | 14 | 15 | 15 | 15 | 16 | 16 | 16 | 16 |

| TITLE | UNIT | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|
| HEALTH AND NUTRITION | | | | | | | | |
| Number of physicians | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,171 | 2,134 | 2,022 | 1,945 | 1,969 | 1,926 | 0 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 47 | 46 | 44 | 42 | 43 | 40 | 0 |
| Safe water access as % of population | PERCENT | 0 | 0 | 0 | 28 | 0 | 0 | 0 |
| Safe water, rural | PERCENT | 0 | 0 | 0 | 12 | 0 | 0 | 0 |
| Safe water, urban | PERCENT | 0 | 0 | 0 | 90 | 0 | 0 | 0 |
| EDUCATION | | | | | | | | |
| Gross enrollment ratio | PERCENT | 158 | 148 | 134 | 117 | 93 | 0 | 0 |
| Gross enrollment ratio, male | PERCENT | 0 | 158 | 146 | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, female | PERCENT | 0 | 137 | 121 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | | |
| Labor force size | NUMBER | 3,413,001 | 3,474,201 | 3,535,401 | 3,596,601 | 3,657,801 | 3,719,001 | 3,791,401 |
| Labor participation rate | PERCENT | 44 | 0 | 0 | 0 | 0 | 43 | 0 |
| Male labor participation rate | PERCENT | 53 | 0 | 0 | 0 | 0 | 52 | 0 |
| Female labor participation rate | PERCENT | 35 | 0 | 0 | 0 | 0 | 33 | 0 |
| Female labor force as % total labor force | PERCENT | 41 | 40 | 40 | 40 | 40 | 40 | 40 |
| Labor in agriculture as % total | PERCENT | 74 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor in industry | PERCENT | 10 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor in services | PERCENT | 17 | 0 | 0 | 0 | 0 | 0 | 0 |

XII-A-1

BOTSWANA:

ECONOMIC POLICY PROFILE

## 1. LIBERALIZATION STRATEGY OVERVIEW(1)

Botswana, bordering South Africa, Namibia, Zambia and Zimbabwe, consists predominantly of the Kalahari Desert, which accounts for 80 percent of the land mass. The climate is primarily arid or semiarid and low rainfall interspersed with periodic droughts limit agricultural productivity. A population of about 1 million lives primarily along the eastern border and is growing at 3.8 percent per year. Having gained independence in 1966, Botswana has moved quickly from being one of the poorest countries in Africa, dependent on foreign aid, to one of the fastest growing countries with the emergence of the mining sector. The share of mining in GDP rose from 11 percent in 1971/72 to 34 percent in 1981/82 and to 51 percent by 1985/86 as new mines came on line. Growth of this magnitude has allowed the Government to build infrastructure and expand services. Supplementing this good fortune has been a rapid expansion of the national cattle herd, with beef exports growing in response to high export prices.

Currently cattle raising is the main agricultural activity, providing a livelihood for the majority of the population and

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(1) The discussion in this paper is based upon analyses and documents of the World Bank, the International Monetary Fund, and U.S. A.I.D. It is intended to provide an overview of issues and progress concerning economic management of Botswana's economy and to assist U.S. A.I.D. in considering a five year development strategy for Southern Africa.

providing the raw material going into the processed beef industry. Arable crop production is limited to less than 5 percent of the land and is focused almost exclusively on subsistence crops. Manufacturing is only beginning, being focused primarily on the processing of meat.

Diversification of the economy is a major objective of Government planning, with the goal of increasing labor-intensive, nonmining economic activities. Import substitution is a prime target in this regard. The close linkage of Botswana's economy to South Africa is another dimension in planning and managing the economy. Membership in the Southern African Customs Union (SACU), along with South Africa, Lesotho and Swaziland, provides nearly one seventh of government revenues, but Botswana has no control over the magnitude of this revenue which is delayed two years until receipt. Some 12 percent of the country's labor force works in South African mines, contributing to remittances but introducing uncertainty into future employment trends and policies.

These characteristics mean that Botswana's economy has extreme dependence, both on mining as a sector for economic growth and on South Africa as an economic force. In addition it is faced with finding employment for a largely unskilled workforce in a situation where there is limited absorptive capacity for productive investment and industrial development. In this situation the growth rate, which averaged 15.6 percent during 1981/82 - 1985/86, was largely fueled by mining; real GDP growth during the same time excluding mining was 5.4 percent. It must be recognized that severe drought during this period contributed to lower than normal nonmining activity, but in any case the economic potential of the economy outside of mining is limited and faces considerable barriers to expansion. Such constraints include a shortage of skilled manpower, high cost of developing basic infrastructure, and problems in protecting domestic production as a member of SACU.

The Sixth National Development Plan covers 1985/86 -1990/91. Its objectives are rapid economic growth, employment creation, rural development, economic independence, and social justice. The plan calls for real GDP to grow at an annual average of 4.7 percent and employment to increase at 6 percent per annum. Some 21 percent of Plan expenditure is targeted for works and communications. Approximately 17 percent is targeted for mineral resources and water affairs, while education is to receive 12 percent, health 4 percent and agriculture 4 percent.

The experience in Botswana over two decades of economic management indicates a sound strategy for maintaining growth and expanding development to key sectors of the economy. The country does not have serious balance of payments problems and has used fiscal and monetary tools responsibly. Also the

Government has been able to implement necessary stabilization measures in the face of abrupt changes in export prospects. Rather, the main development problem stems from the newness of the mineral-led growth; linkages within the economy have not yet been strengthened sufficiently and other sectors of the economy have not shared directly the expansion of mining. Traditional agriculture and cattle raising remain the main economic activity for some three fourths of the population. The increasing concentration of cattle ownership and low yields in arable farming have resulted in conditions of absolute poverty for perhaps half of the rural population. At the same time, the Government has improved the quality of life for all citizens through improvements in life expectancy, infant and child mortality, and literacy. Likewise the drought has brought forward extensive relief efforts by Government directly specifically at helping the poorest groups which were hit the worst.

The Government has a sound record of economic management. Management of the public sector has been efficient. Spending has been carefully tailored to resource availability, avoidance of waste, and maintenance of accountability and effective implementation. Short and medium-term planning and budgeting have been used to achieve this level of management within the Ministry of Finance and Development Planning. The development planning exercise identifies national development objectives, the main sectoral issues, and required policy directions; these are then supplemented by macroeconomic forecasts and a list of necessary and desirable projects. But there is a need to improve the framework for consistency among the macro, sectoral and project levels of planning. Current practice is to supersede regular national development plans when called for by mid-plan changes in international and domestic economic conditions. Development planning in Botswana is made particularly difficult by the instability of export earnings and recurrent droughts. But such conditions reinforce the need for improved planning methods which emphasize counter-cyclical and medium-term programs. A long-term view is especially important so that instability in the shorter periods does not divert development from basic objectives.

Botswana's vulnerability to exogenous shocks and instability has serious impacts on the process of development itself. Unstable growth exacerbates income and wealth distribution problems since low-income groups are hurt more by and have greater difficulty in recovering from economic downturns. Investment in agriculture, especially arable farming, is high in risk due to constant threat of recurrent droughts. Heavy dependence on earnings of expatriate labor in South Africa is risky due to the large role of political elements in determining continued demand for workers in South African mines.

In such a situation fluctuations in real government revenues could be managed to a build up of capacities which could be used in lean years where there is a shortage of funds. This would require an extension of counter-cyclical policy to include expenditure, especially for development projects. A build up of foreign exchange reserves in prosperous years and a draw down in lean years to maintain total expenditures and thus a steady flow of project expenditure could help provide counter-cyclical stimulus to the economy and maintain progress towards completion of development projects. Maintenance of emergency stocks of food grains and perhaps of other crucial commodities at regional centers around the country could also assure availability of consumption necessities in times of drought or economic downturn. A policy solution to these problems, proposed by the World Bank, involves attaining a stable growth of consumption and fixed capital formation by managing inventory investment and foreign exchange reserves. Such an approach is different from a stabilization policy of the demand management type, which aims at regulating total demand to the capacity output primarily through budget deficits and surpluses. The Government of Botswana already pursues a policy of accumulating foreign exchange reserves (and cash balances) to be used in lean years. What the World Bank proposes is an extension of this practice to include improvements in longer term planning, thus mitigating the risk factor and spreading resources over a number of years and reducing the threat of short-term variations in levels of development expenditure.

## 2. KEY POLICY ELEMENTS

### 2.A. Exchange Rate Management

Botswana's currency unit, the pula, since June 1980 has been pegged against a currency basket composed of the SDR and the South African rand. Monetary authorities have managed the pula exchange rate in a flexible manner to achieve both external competitiveness and to mitigate imported inflation from South Africa. This has meant changing proportions of the SDR and rand in the basket and discrete changes in the exchange rate, first in rather large amounts and then since 1986 in small but more frequent changes (less than 1 percent).

Exchange control applies to transactions with all countries. The Ministry of Finance and Development Planning delegates most administration of exchange controls to the Bank of Botswana, which in turn depends on commercial banks to carry out many of its powers. In practice exchange control is liberally exercised. Payments from and to residents of foreign countries must normally be received in a foreign currency or through a nonresident pula account in Botswana. There are no bilateral payments agreements.

There is a large rent or surplus involved in receipts from Botswana's mining operations, especially diamond mining where cost of extraction is estimated at one quarter of the total value of diamond exports. Generally an exchange rate based on a high productivity resource extraction sector is not conducive to the development of the non-mineral sectors. A strong currency leads to distribution of the surplus through cheap imports, but discourages exports due to the high cost in foreign currency to buy domestic output in the form of exports. Such a phenomenon makes economic diversification and employment creation difficult.

Discussion in Botswana has centered around the case for and against using the exchange rate to promote local production. A 1982 Presidential Commission on Economic Opportunities concluded that devaluation was not a desirable approach and that other incentives for industry, but not import duty increases, could achieve the desired objective of economic diversification. The concern was that a depreciation would fuel inflation, hurt the poor and put pressure on wages. It is clear that changes in the present economic structure require changes in relative prices, with prices of imported goods increasing if there is to be import substitution. Such changes in relative prices can occur either through adjustments of the nominal exchange rate and or the tax/subsidy rates. There are advantages to placing at least part of the weight of adjustment on the exchange rate, even if only gradually, since tax and subsidy policies are administratively demanding. If the pula were depreciated in moderate but regular steps at a rate faster than would be warranted by the decline in rents from mineral exports, with a goal of rendering an increasing number of socially beneficial activities privately profitable, then this diversification objective could be achieved while minimizing the disruptions introduced into the current pattern of economic prices and activities.

## 2.B. Import Administration

Membership in the SACU means that there are generally no restrictions on movement of goods between Botswana, Lesotho, Swaziland and South Africa. Import permits are necessary, however, for most goods imported directly into Botswana from outside of the Customs Union. There are no restrictions or delays in payment for authorized imports.

Botswana's dependence on imports has declined from 78 percent of GDP in 1982 to 55 percent in 1986, but still remains high. Consumer goods have fallen from 24 percent of GDp to 15

percent over this period, while capital goods have declined from 54 percent of GDP to 39 percent. During this period total imports grew by 16 percent per annum in pula terms.

Some three fourths of imports come from SACU countries, down from 86 percent four years earlier. Increased market shares for European countries in Botswana account for this decrease in dependency on SACU imports.

## 2.C. Export Policies

Botswana's exports are highly concentrated; diamonds account for over 75 percent of total exports, beef 8 percent, and copper/nickel matte 6 percent. These 3 commodities total 90 percent of all exports, up from 82 percent in 1982. Most variability in exports derives from diamonds, whose exports depend on production, quality mix, world prices, and the pula-dollar exchange rate. During 1986 the depreciation of the pula against the dollar brought about a 20 percent increase in diamond exports in dollar value terms as compared to a 17 percent in pula terms. During the period 1982-86 diamond exports increased some 50 percent in pula terms while total exports expanded by 35 percent reflecting trends in non-diamond exports. What must be recognized is that within the substantial growth rate of diamond exports over the past 5 years there has been substantial variation reflecting the sources of variability mentioned above.

Other export trends also reflect high variability. Meat exports have been affected by the quota set by the EEC and the drought. Weaknesses in the world copper market have meant a static value of copper/nickel exports. Textile exports, primarily of lower quality, go predominant to Zimbabwe which has allowed them to enter duty free. But they have not grown in value or volume terms and have fallen as a share of total exports. Other exports include leather goods, skins, candles, and other miscellaneous items, most of which are exported to Malawi under a 1956 duty-free trade agreement. Though the pula value of these exports has gradually increased, their share of total exports has declined.

The direction of trade for exports is highly concentrated, with approximately 86 percent going to Europe, up substantially from 5 years previously. This large share is determined largely by diamond exports which primarily go to Europe; but most meat exports also go to the EEC.

## 2.D. Industrial Policies

Manufacturing activity remains small in Botswana, and is dwarfed by mining as a contributor to value added. The share of GDP for manufacturing declined from 6 percent in 1981/82 to

3 percent in 1985/86, as mining activity increased dramatically and the continuing drought affected the cattle herds. Over one third of gross manufacturing output is concentrated in meat and meat products, which fell from 34 percent in 1981/82 to 32 percent in 1984/85 and rose again to 39 percent in 1985/86. Other major manufacturing activities are beverages at 19 percent of gross manufacturing output and textiles at 13 percent. Handicrafts and village industries average approximately 4 percent of total output.

Non-beef manufacturing activities have been constrained by a number of factors. The domestic market is too small to support a number of types of manufacturing which might otherwise be feasible. There is a shortage of skilled manpower. Basic industrial infrastructure is expensive to build and maintain. Transportation costs for external transactions are high given the landlocked location of Botswana. Domestic beverages as a manufacturing sector has held steady at an average share of 19 percent of total manufacturing output, but additional growth is limited by the size of the population and the growth in household incomes and consumption. Textiles, which stood at 15 percent of manufacturing value added in 1983/84, dropped to 13 percent when the preferential trading status with Zimbabwe was curtained in 1984/85. Exports of textiles should increase once the preferential status is reinstated. (Note: Figures are in 1979/80 constant prices).

Industrial policy in Botswana is targeted at expanding the manufacturing base, increasing the level of value added, assuring availability of training for occupations with higher productivity, and generating job opportunities in both rural and urban locations. The tools to achieve this are: general industrial incentives; a coordinated system of small-scale and informal extension services; manpower training and localization policies; active use of trade and exchange agreements; stimulation of foreign investment; provision of infrastructure, land and services; and appropriate banking and credit policies.

The Financial Assistance Policy program, introduced to subsidize medium- and small-scale enterprises outside of the cattle industry as well as large scale mining and some services, helps Botswana develop its own businesses and attracts foreign investment through tax holidays, unskilled labor grants, capital grants, sale augmentation grants and training grants. Government also assists the Botswana Development Corporation (BDC) which is a parastatal operating as a holding company. The BDC's industrial involvement includes operations in flour milling, drinks/breweries, cement, saw milling, forestry, sugar packaging and textiles. All of these have important implications for employment. The mode of operation for the BDC is to provide initial equity capital or in some cases direct lending to new ventures; the ultimate goal is to divest holdings to the private sector.

Government has brought together several units to form the Division of Integrated Field Services (IFS) within the Department of Industrial Affairs. The purpose of this consolidation is to achieve better coordination in the planning and delivery of extension services in order to provide more effective support for citizen participation in business. The IFS concentrates on technical and management training, the provision of advice and marketing assistance, and the identification of potential ventures and entrepreneurs.

Despite its rapid growth, the manufacturing sector is still in its infancy. Some 15 percent of value added in manufacturing is produced in small, informal village units. The formal manufacturing sector, comprising units with 10 or more workers, is heavily influenced by livestock processing related to the BMC. The rapid growth has benefited from trade agreements with other countries in the region, including SACU and bilateral agreements with Zimbabwe and Malawi.

## 2.E. Price Regulation

The Control of Goods Act (1973) has legal control over prices of all goods transacted in Botswana. This control is available directly or indirectly through controls which affect retail margins, producer prices, and in some cases retail prices. The Price Control Unit in the Ministry of Commerce and Industry has the power to regulate such prices. The Act provides a framework for establishing specific trading margins which are expected to be added to the ex-factory prices or landed costs of imports so that appropriate retail prices are determined. Such margins are applicable to the distributor/wholesaler/sales agent and to the retailer of all goods sold within the country, except for: soap, sugar, flour, and petroleum. Given limits in manpower to administer this Act, the mark-up controls are considered mostly irrelevant. Rather, retail prices are primarily set by competitive forces. In a step to reduce and eventually eliminate retail margins, Government is considering narrowing the mark-up controls to six essential commodities: mealie meal, sorghum, flour, sugar, meat and milk.

Government sets producer prices for soap, sugar and flour since it has conveyed monopoly power to manufacturers of these goods. The producer prices are equivalent to the South African retail price of these goods plus associated transportation costs in reaching the Botswana market. Retail prices for these goods, however, are not subject to any controls. The Botswana Agricultural Marketing Board sets producer prices and guarantees the purchase of all surplus production of foodgrains and other crops. Producer prices are established on the basis

of landed costs of imports from South Africa and associated transport costs. Retail prices for gasoline, gas oil and kerosene are controlled by the Government; five petroleum companies distribute products in Botswana. Provision is made for a differential in retail price to reflect various locations in the country where products are eventually sold. Prices of meat products and agricultural goods are influenced by the operations of the Botswana Meat Commission and the Agricultural Marketing Board (the nation's sole purchaser, importer and marketer of commercial crops).

Inflation in Botswana is affected by several factors, including prices in South Africa, domestic producer price policy, the pula/rand exchange rate policy, and public wage and incomes policy. Imports comprise approximately 55 percent of nominal GDP in Botswana, with some three fourths coming from South Africa (and some 50 percent actually originating in South Africa, the remainder having been produced elsewhere). This means that inflation in South Africa is transmitted through to Botswana via the prices of such imports. Also both agricultural and industrial producer prices in Botswana have base prices related to the ex-factor prices of comparable goods produced in South Africa. The Government's exchange rate policy has mitigated the degree of inflation imported from South Africa by allowing the pula to appreciate relative to the rand.

## 2.F. Fiscal Policies

Botswana has consistently followed a sound fiscal policy, reflected in effective control of public expenditures and efficient use of public investment to construct necessary infrastructure for economic development. The total of current and capital expenditures, including net lending, has been kept close to the level of current revenue, with remaining moderate deficits covered by external grants and loans. Thus, the Government has not had to use financing from the domestic banking system to cover resource mobilization. The major problems in the fiscal area are to adjust expenditures to sharply varying levels of receipts, meaning the ability to maintain a steadily growing economy using a counter-cyclical fiscal policy to help offset fluctuating export earnings and recurrent droughts.

Government revenues have been high, approaching 40 percent of GDP, stemming from mineral revenue and Customs Union receipts (which combined are over half of total revenue). Relative to expenditure levels there has not been a shortage of revenue. However, the need for major programs to diversify the economy mean that in the future there may be need for greater

budget specified a real reduction in the wage bill and cuts in most other areas of discretionary recurrent expenditure. Improved management and control of the budgeting process and movement to a medium-term strategy for public expenditure will also be undertaken to help control expenditures and assure prioritization of public service provision.

Public infrastructure, especially roads, are in severe disrepair. Their rehabilitation will require a move away from new public capital investments to maintenance and rehabilitation of the existing capital stock. Without improvement of public infrastructure, production faces excessive costs related to use of public services and facilities, thus constraining increased efficiency in production. Therefore development expenditure will be confined to ongoing projects and rehabilitation, with new projects started only if absolutely essential for economic recovery.

Public enterprises play a large role in the Tanzanian economy. The Government's main objectives for these public producers will be to accelerate the restructuring process started in 1984/85 and to improve management and operations so that there will be adequate return on investment. Some agricultural parastatals have already been reorganized and rationalized. A detailed review of the parastatal sector will propose which public enterprises should be rehabilitated and an action plan will be prepared with a schedule for implementing policy and institutional changes.

## 2.G. Financial Sector Policies

The objectives in formulating a monetary and credit policy are to strengthen the balance of payments and reduce the inflation rate. As the fiscal deficit is reduced as a proportion of GDP, credit will increasingly become available for the productive sectors of the economy. Control will be tightened by use of quarterly domestic credit and government credit expansion targets. The interest rate was scheduled to be made positive in real terms by the middle of 1988, thereby reducing the need for credit allocation. By July, 1987 the one-year deposit rate had reached 80% of the inflation rate and continued progress towards positive real rates is inherent in the Economic Recovery Program.

## 2.H. Other Policies

Agricultural reform is key to improving the economic growth rate in Tanzania. Parastatal reforms will have a large impact on production and marketing. Progress is also needed to enhance the institutional structure for processing and

Interest rate policy has been key to monetary policy in spite of the fact that the Bank of Botswana has had to maintain interest rate differentials with South Africa within a narrow margin so as not to distort trade and capital flows. In 1984 interest rate differentials rose sharply due to increases in South Africa, but a capital flow out of Botswana did not occur because of the strength of the pula relative to the rand, lower inflation in Botswana, and effective control of capital transfers. For a long period of time in Botswana import prices have been below domestic inflation rates, providing a negative return on deposits. In spite of such a low interest rate structure, banks could not find investors willing to use the large volume of funds being generated by the mining sector.

## 2.H. Other Policies

Mining is the predominant economic activity and has stimulated rapid growth in the past 15 years. Since 1980 it has accounted for over 50 percent of GDP and 70 percent of exports. Thus, mining trends largely determine changes in real GDP. Diamond production is the primary mining activity, comprising 88 percent of total mining output in value terms since the Jwaneng mine was opened in 1982. During 1981-85 there was a world slump in the diamond market. Botswana stockpiled its surplus production in domestically held stocks, which it was able to start selling off during 1985/86 when the world market recovered. The other important minerals are copper/nickel matte and coal, comprising 11 percent and 1 percent of total mining output in value terms. As a capital intensive activity, it provides less than 7 percent of total formal employment in Botswana.

The main contribution of mining to the economy involves the supply of large amounts of foreign exchange. But such surpluses, based on the experience of other countries, can easily lead to "growth without development" unless managed properly. Large mineral earnings can lead to pressure on Government to increase development spending rapidly, excessive expansion in the credit base and money supply, demand for wage increases, and an overvalued exchange rate. Botswana has done a good job of avoiding these problems through sound macro management.

Apart from the absorptive capacity constraints on he large volume of funds generated by mining, a conservative and noncompetitive financial sector that leaves certain types of credit demand unmet, particularly for medium and long-term credit, is seen as a possible factor limiting investment in Botswana. Consequently, the direction of monetary policy has

been toward interest rate deregulation with the overall objective of encouraging more efficient finaical intermediation, particularly with increased commercial bank participation in order to channel avialbel resources to productive projects.

In July 1988, several new measures designed to further lower and deregulate interest rates were announced. First, the minimum threshold was raised from P50,000 to P250,000. Second, banks and depositors were free to negotiate interest rates on deposits over P50,000. This measure was in recognition of the need for additional deposits. Third, banks were to make available 18 and 24 month fixed deposit facilities to which the threshold of P250,000 would apply and the interest rates on these new facilities were set freely by each bank. The purpose of the last measure was to meet the needs of certain depositors for lonter-term facilities and also to contribute to the extension of maturity structure of commercial banks' deposits which in turn gives these banks more flexibility to lend for longer periods.

The mid-term review of National Development Plan VI (NDP) forecast that the mineral sector may reach a plateau in 1988/89 (even with the development of the Sua Pan and a recrush plant at Jwaneng). Given this situation, plus the fact that recurrent expenditures are rising rapidly, Botswanan could be moving into a deficit situation in the 1990's. Other basic problems are:

- An unstable weather situation, six years of drought broken only by the last year's good rainfall; last year's food grains production of over 100,000 was only slightly less than the total of the previous six years;

- unemployment and underemployment and a drift to the cities;

- lack of skilled manpower across the board;

- lack of basic infrastructure;

- an underdeveloped industrial base;

- undue dependence on South Africa -- most of the goods imported into the country come from South Africa or through that country. The closing by South Africa of tranportation routes could decimate the Botswana economy.

What is needed is diversification of the economy. The Government of Botswana plans to attempt to use its present reserves in a sound and responsible manner to bring about this diversification and assist in the fundamental question of employment generation. Considerable steps have been taken to open up the economy to market forces and to unleash the private sector. A continuation of these will be critical if jobs are to be created in the future to meet demand.

DEVELOPMENT INDICATORS FOR BOTSWANA
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | Local currency | 12.2 | 14.3 | 16.0 | 18.6 | 31.7 |
| Current prices Private Consumption, etc. | Local currency | 46.7 | 52.2 | 59.1 | 89.9 | 104.6 |
| Current prices Domestic Absorption | Local currency | 64.2 | 103.7 | 129.5 | 183.6 | 233.7 |
| Current prices Exports of Goods & NF Services | Local currency | 13.6 | 20.4 | 39.8 | 55.2 | 76.4 |
| Current prices GDP at Factor Cost | Local currency | 55.9 | 72.4 | 92.4 | 138.6 | 174.1 |
| Current prices Gross Domestic Product | Local currency | 59.9 | 76.0 | 102.6 | 150.6 | 188.3 |
| Current prices Gross Domestic Savings | Local currency | 1.0 | 11.5 | 26.5 | 42.1 | 52.0 |
| Current prices Gross National Product | Local currency | 56.6 | 71.9 | 88.3 | 129.5 | 180.3 |
| Current prices Gross National Savings | Local currency | 3.7 | 9.3 | 5.5 | 20.3 | 72.5 |
| Current prices Imports of Goods & NF Services | Local currency | 37.9 | 49.1 | 65.7 | 88.2 | 121.6 |
| Current prices Fixed Investment | Local currency | 17.3 | 30.3 | 54.5 | 64.3 | 79.6 |
| Current prices Gross Domestic Investment | Local currency | 25.3 | 37.3 | 54.4 | 75.1 | 97.4 |
| Current prices Net Factor Income (+) or Payments | Local currency | (1.3) | (6.1) | (15.3) | (21.1) | (18.0) |
| Current prices Indirect Taxes Net of Subsidies | Local currency | 4.0 | 5.6 | 11.2 | 12.0 | 14.2 |
| Current prices Resource Balance | Local currency | (24.3) | (25.7) | (25.9) | (33.6) | (45.4) |
| Current prices Value Added in Agriculture | Local currency | 19.8 | 25.7 | 34.2 | 49.7 | 62.4 |
| Current prices Value Added in Industry | Local currency | 16.5 | 21.5 | 29.6 | 41.6 | 49.5 |
| Current prices Value Added in Manufacturing | Local currency | 3.5 | 4.6 | 6.1 | 8.9 | 10.1 |
| Current prices Value Added in Services, etc. | Local currency | 23.6 | 28.8 | 40.8 | 59.3 | 76.4 |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | Local currency | 0.0 | (11.2) | (21.0) | (14.0) | (5.7) |
| Government Capital Payments | Local currency | 0.1 | 12.1 | 29.6 | 33.7 | 35.6 |
| Government Capital Receipts | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Budget Balance | Local currency | 0.0 | 1.1 | 9.6 | 19.6 | 29.9 |
| Government Current Expenditure | Local currency | 0.0 | 15.1 | 20.2 | 26.0 | 35.0 |
| Government Current Revenue | Local currency | 0.0 | 16.2 | 29.8 | 45.6 | 65.9 |
| MONEY | | | | | | |
| Money Supply, Broadly Defined | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Money as Means of Payment | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Quasi-Monetary Liabilities | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Currency Outside Banks | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Demand Deposits | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRADE | | | | | | |
| Current prices Exports of Manufactures | US $ | 5.5 | 9.0 | 26.0 | 29.7 | 50.5 |
| Current prices Exports of Nonfuel Primary Products | US $ | 16.5 | 18.6 | 31.9 | 55.2 | 70.1 |
| Current prices Value of Exports | US $ | 22.0 | 28.0 | 58.0 | 85.0 | 121.0 |
| Current prices Imports of Fuels | US $ | 4.7 | 4.7 | 10.4 | 15.6 | 17.6 |
| Current prices Imports of Manufactures | US $ | 71.1 | 71.1 | 89.1 | 105.2 | 117.3 |
| Current prices Imports of Nonfuel Primary Products | US $ | 13.3 | 13.3 | 29.5 | 45.0 | 50.1 |
| Current prices Value of Imports, cif | US $ | 49.0 | 49.0 | 109.0 | 166.0 | 185.0 |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | US $, as per IBRD DRS | 0.4 | 0.6 | 1.3 | 2.2 | 3.1 |
| Disbursements of Long-Term Loans | US $, as per IBRD DRS | 5.7 | 15.7 | 45.4 | 41.7 | 18.5 |
| Net Long-Term Loans | US $, as per IBRD DRS | 5.6 | 15.4 | 45.0 | 41.5 | 18.3 |
| Repayments on Long-Term Loans | US $, as per IBRD DRS | 0.1 | 0.3 | 0.4 | 0.2 | 0.2 |
| Identified Short-Term Debt | US $, end of year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public/Publicly Guar. Long-Term Debt | US $, IBRD DRS - end of y | 17.4 | 33.3 | 74.8 | 114.7 | 134.0 |
| Public Long Term Debt, IBRD & IDA | US $, IBRD DRS - end of y | 5.2 | 8.0 | 16.9 | 34.9 | 42.9 |
| Public Long Term Debt, Official Creditors | US $, IBRD DRS - end of y | 14.2 | 30.3 | 72.0 | 111.6 | 131.1 |
| Public Long Term Debt, Private Creditors | US $, IBRD DRS - end of y | 3.2 | 3.0 | 2.8 | 3.1 | 2.9 |
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | US $, BoP | 5.0 | 4.0 | (10.0) | (1.0) | 42.0 |
| Merchandise Exports, fob | US $, BoP | 26.0 | 38.0 | 57.0 | 92.0 | 120.0 |
| Exports of Goods & Services | US $, BoP | 58.0 | 85.0 | 102.0 | 157.0 | 159.0 |
| Non-Factor Services Receipts | US $, BoP | 31.0 | 45.0 | 43.0 | 63.0 | 36.0 |

DEVELOPMENT INDICATORS FOR BOTSWANA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | | | |
| Current prices General Government Consumption | 41.5 | 54.7 | 75.7 | 91.3 | 104.3 | 140.7 | 192.3 | 230.4 |
| Current prices Private Consumption, etc. | 125.6 | 156.5 | 194.2 | 224.6 | 295.2 | 358.3 | 409.8 | 488.4 |
| Current prices Domestic Absorption | 266.8 | 326.2 | 368.6 | 458.4 | 597.1 | 789.9 | 946.9 | 1,068.6 |
| Current prices Exports of Goods & NF Services | 93.8 | 135.2 | 155.5 | 161.1 | 275.9 | 357.8 | 398.0 | 349.9 |
| Current prices GDP at Factor Cost | 194.9 | 251.0 | 285.9 | 319.4 | 454.5 | 599.5 | 658.6 | 661.3 |
| Current prices Gross Domestic Product | 213.0 | 273.9 | 315.1 | 360.3 | 516.1 | 701.5 | 779.2 | 780.1 |
| Current prices Gross Domestic Savings | 47.9 | 62.7 | 45.2 | 44.4 | 116.6 | 202.5 | 177.1 | 61.3 |
| Current prices Gross National Product | 188.1 | 248.0 | 290.7 | 328.4 | 470.3 | 655.0 | 668.1 | 715.2 |
| Current prices Gross National Savings | 38.4 | 78.7 | 92.0 | 72.3 | 153.1 | 257.6 | 171.4 | 96.8 |
| Current prices Imports of Goods & NF Services | 147.6 | 187.5 | 209.0 | 259.2 | 356.9 | 446.2 | 565.7 | 638.4 |
| Current prices Fixed Investment | 57.3 | 79.1 | 77.8 | 110.1 | 162.9 | 248.8 | 306.6 | 304.6 |
| Current prices Gross Domestic Investment | 101.7 | 115.0 | 99.7 | 142.5 | 197.6 | 290.9 | 344.8 | 349.8 |
| Current prices Net Factor Income (+) or Payments | (24.9) | (25.9) | (24.4) | (31.9) | (45.8) | (46.5) | (111.1) | (64.9) |
| Current prices Indirect Taxes Net of Subsidies | 18.1 | 22.9 | 29.2 | 40.9 | 61.6 | 102.0 | 120.6 | 118.8 |
| Current prices Resource Balance | (53.8) | (52.3) | (53.5) | (98.1) | (81.0) | (88.4) | (167.7) | (288.5) |
| Current prices Value Added in Agriculture | 61.2 | 65.7 | 74.4 | 71.7 | 81.7 | 83.3 | 90.5 | 87.8 |
| Current prices Value Added in Industry | 60.5 | 84.4 | 91.8 | 107.3 | 193.1 | 291.3 | 310.6 | 270.1 |
| Current prices Value Added in Manufacturing | 15.5 | 20.9 | 25.3 | 24.4 | 42.8 | 29.2 | 49.3 | 71.2 |
| Current prices Value Added in Services, etc. | 91.3 | 123.8 | 148.9 | 181.3 | 241.3 | 326.9 | 378.1 | 422.2 |
| GOVERNMENT | | | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | 1.2 | (20.8) | (4.6) | (6.9) | 21.4 | (1.3) | (18.3) | (20.1) |
| Government Capital Payments | 41.2 | 42.1 | 44.3 | 67.7 | 84.8 | 124.4 | 121.5 | 137.6 |
| Government Capital Receipts | 0.0 | 0.8 | 0.3 | 0.7 | 0.9 | 1.8 | 3.7 | 1.9 |
| Government Current Budget Balance | 42.5 | 20.6 | 39.4 | 60.1 | 105.3 | 121.3 | 99.5 | 115.6 |
| Government Current Expenditure | 46.9 | 62.5 | 75.8 | 100.0 | 137.0 | 178.6 | 211.9 | 270.1 |
| Government Current Revenue | 89.3 | 84.1 | 115.2 | 160.1 | 242.3 | 299.9 | 311.4 | 385.7 |
| MONEY | | | | | | | | |
| Money Supply, Broadly Defined | 0.0 | 86.2 | 108.6 | 120.9 | 199.0 | 236.9 | 226.5 | 245.6 |
| Money as Means of Payment | 0.0 | 43.5 | 58.2 | 60.9 | 82.1 | 90.6 | 114.8 | 127.4 |
| Quasi-Monetary Liabilities | 0.0 | 42.7 | 50.4 | 60.0 | 116.9 | 146.3 | 111.7 | 118.2 |
| Currency Outside Banks | 0.0 | 10.4 | 12.4 | 15.8 | 17.9 | 24.4 | 29.6 | 29.0 |
| Demand Deposits | 0.0 | 33.1 | 45.8 | 45.2 | 64.2 | 66.2 | 85.2 | 98.4 |
| TRADE | | | | | | | | |
| Current prices Exports of Manufactures | 49.6 | 49.6 | 64.9 | 106.9 | 258.6 | 352.8 | 220.7 | 289.2 |
| Current prices Exports of Nonfuel Primary Products | 92.2 | 126.2 | 114.9 | 114.9 | 176.9 | 150.1 | 191.9 | 166.4 |
| Current prices Value of Exports | 142.0 | 176.0 | 180.0 | 222.0 | 436.0 | 503.0 | 413.0 | 456.0 |
| Current prices Imports of Fuels | 21.6 | 20.7 | 27.9 | 30.4 | 72.4 | 90.4 | 104.8 | 103.5 |
| Current prices Imports of Manufactures | 137.6 | 131.9 | 173.8 | 226.0 | 313.6 | 428.5 | 494.9 | 407.8 |
| Current prices Imports of Nonfuel Primary Products | 58.8 | 56.4 | 74.3 | 96.6 | 134.9 | 171.1 | 199.4 | 174.7 |
| Current prices Value of Imports, cif | 218.0 | 209.0 | 276.0 | 353.0 | 521.0 | 691.0 | 799.0 | 686.0 |
| LOANS AND DEBT | | | | | | | | |
| Long-Term Interest Payments | 3.4 | 3.1 | 3.5 | 4.5 | 5.8 | 6.7 | 6.5 | 9.7 |
| Disbursements of Long-Term Loans | 24.7 | 25.9 | 15.8 | 11.4 | 15.6 | 24.5 | 24.6 | 56.5 |
| Net Long-Term Loans | 21.1 | 24.9 | 13.4 | 7.8 | 12.1 | 18.5 | 22.7 | 52.9 |
| Repayments on Long-Term Loans | 3.6 | 1.0 | 2.4 | 3.6 | 3.5 | 6.0 | 1.9 | 3.6 |
| Identified Short-Term Debt | 0.0 | 0.0 | 3.0 | 3.0 | 17.0 | 4.0 | 8.0 | 3.0 |
| Public/Publicly Guar. Long-Term Debt | 147.3 | 165.3 | 180.8 | 120.5 | 134.4 | 151.5 | 164.5 | 210.7 |
| Public Long Term Debt, IBRD & IDA | 46.4 | 50.0 | 53.7 | 55.9 | 61.4 | 65.6 | 76.2 | 87.0 |
| Public Long Term Debt, Official Creditors | 147.2 | 163.1 | 178.6 | 117.6 | 129.7 | 146.6 | 160.1 | 176.5 |

DEVELOPMENT INDICATORS FOR BOTSWANA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 198e |
|---|---|---|---|---|
| NATIONAL INCOME | | | | |
| Current prices General Government Consumption | 281.8 | 340.2 | 42[illegible].4 | [illegible].0 |
| Current prices Private Consumption, etc. | 571.2 | 629.3 | 713.0 | 0.0 |
| Current prices Domestic Absorption | 1,160.5 | 1,286.7 | 1,534.7 | 0.0 |
| Current prices Exports of Goods & NF Services | 618.3 | 772.3 | 963.7 | 0.0 |
| Current prices GDP at Factor Cost | 897.1 | 1,113.5 | 1,358.9 | 0.0 |
| Current prices Gross Domestic Product | 1,029.0 | 1,278.9 | 1,523.5 | 2,144.9 |
| Current prices Gross Domestic Savings | 176.0 | 305.4 | 396.1 | 0.0 |
| Current prices Gross National Product | 903.9 | 1,112.2 | 1,301.8 | 1,822.8 |
| Current prices Gross National Savings | 191.5 | 275.7 | 307.8 | 0.0 |
| Current prices Imports of Goods & NF Services | 749.8 | 780.1 | 974.9 | 0.0 |
| Current prices Fixed Investment | 320.3 | 337.6 | 418.9 | 0.0 |
| Current prices Gross Domestic Investment | 307.5 | 317.2 | 401.5 | 0.0 |
| Current prices Net Factor Income (+) or Payments | (125.1) | (166.7) | (221.7) | (312.1) |
| Current prices Indirect Taxes Net of Subsidies | 131.9 | 165.4 | 164.6 | 0.0 |
| Current prices Resource Balance | (131.5) | (7.8) | (11.2) | 0.0 |
| Current prices Value Added in Agriculture | 77.2 | 76.1 | 78.5 | 84.9 |
| Current prices Value Added in Industry | 439.8 | 599.1 | 737.7 | 1,236.0 |
| Current prices Value Added in Manufacturing | 78.7 | 82.0 | 91.9 | 129.4 |
| Current prices Value Added in Services, etc. | 512.0 | 613.7 | 707.3 | 824.9 |
| GOVERNMENT | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | 105.2 | 166.3 | 413.8 | 0.0 |
| Government Capital Payments | 136.9 | 186.5 | 209.2 | 0.0 |
| Government Capital Receipts | 1.7 | 3.2 | 4.4 | 0.0 |
| Government Current Budget Balance | 238.5 | 371.6 | 618.7 | 0.0 |
| Government Current Expenditure | 316.0 | 416.3 | 497.6 | 0.0 |
| Government Current Revenue | 554.5 | 787.9 | 1,116.3 | 0.0 |
| MONEY | | | | |
| Money Supply, Broadly Defined | 316.3 | 368.9 | 557.4 | 6[illegible]6.2 |
| Money as Means of Payment | 137.3 | 150.6 | 188.2 | 242.4 |
| Quasi-Monetary Liabilities | 179.0 | 218.3 | 369.2 | 3[illegible]3.8 |
| Currency Outside Banks | 30.2 | 35.2 | 43.4 | 58.5 |
| Demand Deposits | 107.2 | 115.4 | 144.8 | 184.9 |
| TRADE | | | | |
| Current prices Exports of Manufactures | 395.6 | 406.8 | 482.4 | 559.6 |
| Current prices Exports of Nonfuel Primary Products | 240.9 | 266.3 | 281.6 | 297.9 |
| Current prices Value of Exports | 637.0 | 673.6 | 744.5 | 857.7 |
| Current prices Imports of Fuels | 106.5 | 92.2 | 93.1 | 41.5 |
| Current prices Imports of Manufactures | 442.6 | 446.9 | 362.5 | 486.9 |
| Current prices Imports of Nonfuel Primary Products | 185.9 | 168.5 | 127.4 | 155.7 |
| Current prices Value of Imports, cif | 735.0 | 706.8 | 583.1 | 684.1 |
| LOANS AND DEBT | | | | |
| Long-Term Interest Payments | 12.7 | 15.4 | 22.4 | 26.8 |
| Disbursements of Long-Term Loans | 35.7 | 75.5 | 66.7 | 30.9 |
| Net Long-Term Loans | 24.7 | 58.1 | 40.8 | 13.6 |
| Repayments on Long-Term Loans | 11.0 | 17.4 | 25.9 | 17.3 |
| Identified Short-Term Debt | 4.0 | 5.0 | 2.0 | 3.0 |
| Public/Publicly Guar. Long-Term Debt | 230.3 | 276.6 | 324.2 | 355.1 |
| Public Long Term Debt, IBRD & IDA | 101.4 | 117.9 | 131.6 | 120.8 |
| Public Long Term Debt, Official Creditors | 199.4 | 239.8 | 299.4 | 315.6 |

DEVELOPMENT INDICATORS FOR BOTSWANA
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| Factor Service Receipts | US $, BoP | 1.0 | 1.0 | 2.0 | 2.0 | 3.0 |
| Factor Service Payments | US $, BoP | 3.0 | 6.0 | 13.0 | 18.0 | 15.0 |
| Merchandise Imports, fob | US $, BoP | 57.0 | 78.0 | 98.0 | 137.0 | 164.6 |
| Imports of Goods & Services | US $, BoP | 94.0 | 130.0 | 161.0 | 225.0 | 179.6 |
| Non-Factor Services Payments | US $, BoP | 34.0 | 46.0 | 50.0 | 70.0 | 41.0 |
| Increase (-) in Reserves | US $, BoP | (0.5) | (0.6) | 0.0 | (0.0) | 0.0 |
| Other Net Long-Term Inflows | US $, BoP | 3.4 | 36.6 | 51.0 | 47.5 | 59.7 |
| Current Account Balance | US $, BoP | (31.0) | (41.0) | (69.0) | (69.0) | (19.6) |
| Net Foreign Direct Investment | US $, BoP | 6.0 | 38.0 | 60.0 | 53.0 | 46.0 |
| Net Long-Term Capital Inflow | US $, BoP | 15.0 | 92.0 | 156.0 | 142.0 | 124.0 |
| Other Net Capital Inflows | US $, BoP | 16.5 | (51.0) | 0.0 | (73.0) | 0.0 |
| INDICIES | | | | | | |
| Terms of Trade Index | US dollar-based | 179.6 | 158.5 | 158.4 | 163.0 | 119.8 |
| Constant price Exports, fob | 1980 US $ | 58.3 | 73.6 | 136.9 | 150.3 | 179.0 |
| Constant price Imports, cif | 1980 US $ | 233.1 | 204.1 | 407.3 | 478.5 | 327.8 |
| Domestic Absorption Deflator | 1980=100 | 29.6 | 34.7 | 37.6 | 42.5 | 47.1 |
| GDP Deflator | 1980=100 | 34.4 | 37.8 | 37.9 | 45.2 | 47.2 |
| Agricultural Value Added Deflator | 1980=100 | 53.1 | 58.3 | 58.6 | 69.9 | 63.2 |
| Industrial Value Added Deflator | 1980=100 | 27.1 | 31.1 | 31.2 | 37.3 | 37.6 |
| Manufacturing Real Output per Employee | 1980=100 | 0.0 | 0.0 | 101.7 | 0.0 | 137.3 |
| Manufacturing Real Earnings per Employee | 1980=100 | 0.0 | 47.5 | 44.4 | 47.9 | 94.7 |
| Fuel Export Price Index | 1980=100, US dollar-based | 4.3 | 5.6 | 6.2 | 8.9 | 36.7 |
| Manufactures Export Price Index | 1980=100, US dollar-based | 37.5 | 36.5 | 38.5 | 49.5 | 67.2 |
| Nonfuel Primary Products Export Price Index | 1980=100, US dollar-based | 38.4 | 39.2 | 46.7 | 61.7 | 68.0 |
| Export Price Index, fob | 1980=100, US dollar-based | 37.7 | 38.0 | 42.4 | 56.5 | 67.6 |
| Import Price Index, cif | 1980=100, US dollar-based | 21.0 | 24.0 | 26.8 | 34.7 | 56.4 |
| Conversion Factor, Annual Average | Local currency per U.S. d | 0.7 | 0.7 | 0.8 | 0.7 | 0.7 |

DEVELOPMENT INDICATORS FOR BOTSWANA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| Public Long Term Debt, Private Creditors | 0.1 | 2.2 | 2.2 | 2.9 | 4.7 | 4.9 | 4.4 | 34.2 |
| BALANCE OF PAYMENTS | | | | | | | | |
| Net Current Transfers | 20.9 | 48.1 | 84.5 | 72.2 | 101.0 | 130.8 | 126.5 | 98.3 |
| Merchandise Exports, fob | 141.9 | 169.7 | 191.6 | 223.4 | 442.3 | 544.6 | 401.3 | 460.6 |
| Exports of Goods & Services | 219.8 | 275.9 | 311.3 | 332.8 | 575.6 | 747.6 | 604.3 | 642.5 |
| Non-Factor Services Receipts | 30.8 | 46.9 | 51.4 | 50.5 | 61.1 | 100.9 | 97.0 | 99.5 |
| Factor Service Receipts | 47.0 | 59.3 | 68.3 | 59.0 | 72.2 | 102.2 | 106.0 | 82.5 |
| Factor Service Payments | 45.8 | 52.0 | 54.4 | 65.6 | 95.7 | 177.9 | 84.9 | 70.9 |
| Merchandise Imports, fob | 181.2 | 180.2 | 226.4 | 295.0 | 442.1 | 602.5 | 687.1 | 579.8 |
| Imports of Goods & Services | 277.7 | 310.7 | 370.7 | 465.2 | 666.8 | 953.4 | 948.5 | 806.5 |
| Non-Factor Services Payments | 46.7 | 78.5 | 89.9 | 101.7 | 128.4 | 177.0 | 176.5 | 155.8 |
| Increase (+) in Reserves | 0.0 | (71.9) | (17.9) | (39.3) | (115.9) | (90.6) | 73.8 | (54.9) |
| Other Net Long-Term Inflows | 67.3 | (16.2) | (35.8) | 19.1 | (40.0) | 7.9 | 10.7 | 31.7 |
| Current Account Balance | (9.6) | 13.6 | 25.2 | (60.5) | 9.9 | (75.0) | (217.8) | (65.5) |
| Net Foreign Direct Investment | (38.2) | 11.2 | 12.0 | 40.8 | 127.9 | 109.2 | 88.3 | 21.1 |
| Net Long-Term Capital Inflow | 50.1 | 19.9 | (10.4) | 67.7 | 100.0 | 135.6 | 121.7 | 105.7 |
| Other Net Capital Inflows | 0.0 | 38.4 | 3.0 | 32.1 | 6.0 | 29.9 | 22.3 | 14.7 |
| INDICIES | | | | | | | | |
| Terms of Trade Index | 115.7 | 112.5 | 104.0 | 102.1 | 107.5 | 100.0 | 98.1 | 97.9 |
| Constant price Exports, fob | 207.2 | 254.5 | 260.2 | 295.1 | 471.8 | 502.0 | 420.8 | 490.3 |
| Constant price Imports, cif | 368.1 | 340.0 | 415.1 | 479.1 | 605.8 | 691.0 | 799.0 | 721.7 |
| Domestic Absorption Deflator | 54.4 | 63.7 | 72.8 | 78.7 | 88.2 | 100.0 | 115.8 | 122.2 |
| GDP Deflator | 54.0 | 60.4 | 68.0 | 65.6 | 83.9 | 100.0 | 102.3 | 105.0 |
| Agricultural Value Added Deflator | 69.8 | 73.9 | 80.2 | 82.6 | 94.3 | 100.0 | 120.7 | 122.3 |
| Industrial Value Added Deflator | 45.0 | 50.6 | 57.2 | 44.7 | 76.0 | 100.0 | 90.1 | 84.1 |
| Manufacturing Real Output per Employee | 125.6 | 119.0 | 131.3 | 110.9 | 114.0 | 100.0 | 89.2 | 86.5 |
| Manufacturing Real Earnings per Employee | 127.9 | 0.0 | 104.3 | 127.5 | [illegible] | 100.0 | 96.0 | 96.9 |
| Fuel Export Price Index | 35.7 | 38.4 | 42.0 | 42.3 | 61.0 | 100.0 | 112.5 | 101.6 |
| Manufactures Export Price Index | 66.1 | 66.7 | 71.7 | 76.1 | 90.0 | 100.0 | 99.1 | 94.8 |
| Nonfuel Primary Products Export Price Index | 70.0 | 70.2 | 67.9 | 74.6 | 96.3 | 100.0 | 97.1 | 90.0 |
| Export Price Index, fob | 68.5 | 69.2 | 69.2 | 75.2 | 92.4 | 100.0 | 98.1 | 93.0 |
| Import Price Index, cif | 59.2 | 61.5 | 66.5 | 73.7 | 86.0 | 100.0 | 100.0 | 95.0 |
| Conversion Factor, Annual Average | 0.7 | 0.9 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 1.0 |

DEVELOPMENT INDICATORS FOR BOTSWANA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| Public Long Term Debt, Private Creditors | 30.9 | 36.8 | 34.8 | 39.5 |
| BALANCE OF PAYMENTS | | | | |
| Net Current Transfers | 128.3 | 103.6 | 73.8 | 97.6 |
| Merchandise Exports, fob | 640.3 | 677.7 | 727.8 | 836.3 |
| Exports of Goods & Services | 831.4 | 872.8 | 886.3 | 1,026.3 |
| Non-Factor Services Receipts | 107.8 | 102.0 | 77.6 | 82.8 |
| Factor Service Receipts | 83.3 | 93.1 | 84.9 | 107.2 |
| Factor Service Payments | 152.5 | 207.8 | 221.5 | 237.7 |
| Merchandise Imports, fob | 615.3 | 583.4 | 493.8 | 565.0 |
| Imports of Goods & Services | 954.6 | 964.4 | 843.9 | 955.1 |
| Non-Factor Services Payments | 186.8 | 173.2 | 128.6 | 152.3 |
| Increase (-) in Reserves | (123.7) | (124.4) | (254.3) | (301.7) |
| Other Net Long-Term Inflows | 16.7 | (5.2) | 20.8 | 37.9 |
| Current Account Balance | 4.9 | 12.0 | 116.1 | 168.6 |
| Net Foreign Direct Investment | 22.6 | 61.9 | 52.2 | 90.2 |
| Net Long-Term Capital Inflow | 63.9 | 114.8 | 113.8 | 141.7 |
| Other Net Capital Inflows | 54.9 | (2.4) | 24.4 | (8.8) |
| INDICIES | | | | |
| Terms of Trade Index | 97.7 | 97.2 | 96.6 | 100.2 |
| Constant price Exports, fob | 700.2 | 753.0 | 849.9 | 889.0 |
| Constant price Imports, cif | 789.2 | 768.1 | 647.2 | 710.4 |
| Domestic Absorption Deflator | 143.5 | 158.0 | 166.0 | 0.0 |
| GDP Deflator | 111.8 | 115.6 | 130.1 | 163.0 |
| Agricultural Value Added Deflator | 128.5 | 149.5 | 163.5 | 175.3 |
| Industrial Value Added Deflator | 92.1 | 92.8 | 112.0 | 160.7 |
| Manufacturing Real Output per Employee | 70.0 | 77.4 | 97.2 | 0.0 |
| Manufacturing Real Earnings per Employee | 80.3 | 0.0 | 0.0 | 0.0 |
| Fuel Export Price Index | 92.5 | 90.2 | 87.5 | 45.0 |
| Manufactures Export Price Index | 90.7 | 89.3 | 89.0 | 103.2 |
| Nonfuel Primary Products Export Price Index | 91.5 | 89.7 | 85.4 | 86.0 |
| Export Price Index, fob | 91.0 | 89.5 | 87.6 | 96.5 |
| Import Price Index, cif | 93.1 | 92.0 | 90.7 | 96.3 |
| Conversion Factor, Annual Average | 1.1 | 1.3 | 1.9 | 1.9 |

SOCIAL INDICATORS FOR BOTSWANA
Based upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|---|---|
| **LAND** | | | | | | | | |
| Total land area | SQ KILOM. | 600 | 600 | 600 | 600 | 600 | 600 | 600 |
| Total agricultural land | SQ KILOM. | 440 | 442 | 444 | 446 | 448 | 450 | 452 |
| Arable land | SQ KILOM. | 12 | 12 | 12 | 13 | 13 | 13 | 14 |
| Pasture land | SQ KILOM. | 428 | 430 | 432 | 434 | 436 | 438 | 440 |
| **POPULATION** | | | | | | | | |
| **Total population, (interp series)** | **NUMBER** | 620,500 | 645,500 | 670,700 | 698,300 | 726,700 | 755,100 | 782,700 |
| **Population, female** | **NUMBER** | 302,583 | 317,438 | 332,865 | 349,406 | 366,524 | 384,701 | 401,846 |
| **Population, male** | **NUMBER** | 267,917 | 274,562 | 287,135 | 300,595 | 314,476 | 329,229 | 345,154 |
| **Population, age 0-14** | **NUMBER** | 277,939 | 292,186 | 306,988 | 322,843 | 339,259 | 356,737 | 370,973 |
| **Population, age 15-64** | **NUMBER** | 323,477 | 330,951 | 344,743 | 358,622 | 372,314 | 386,867 | 400,917 |
| **Population, age 65+** | **NUMBER** | 16,084 | 16,863 | 17,971 | 18,835 | 19,427 | 20,377 | 20,810 |
| Urban population total | NUMBER | 0 | 56,240 | 0 | 0 | 0 | 0 | 104,720 |
| **Urban population as % total** | **PERCENT** | 10 | 10 | 11 | 12 | 12 | 14 | 15 |
| Agriculture population density | NUMBER | 1,285 | 1,339 | 1,395 | 1,455 | 1,517 | 1,582 | 1,650 |
| **DEMOGRAPHIC CHARACTERISTICS** | | | | | | | | |
| **Crude birth rate, (interp series)** | **NUMBER** | 52 | 51 | 51 | 51 | 51 | 51 | 51 |
| **Crude death rate (interp series)** | **NUMBER** | 17 | 16 | 16 | 16 | 16 | 15 | 14 |
| **Infant mort rate, age 0-1 (interp series)** | **NUMBER** | 99 | 98 | 96 | 94 | 93 | 91 | 89 |
| **Child mort rate, age 1-4 (interp series)** | **NUMBER** | 19 | 18 | 18 | 17 | 17 | 17 | 16 |
| **Life expectancy, total** | **NUMBER** | 50 | 50 | 51 | 51 | 51 | 52 | 52 |
| **Life expectancy, males (interp series)** | **NUMBER** | 48 | 49 | 49 | 49 | 5 | 50 | 51 |
| **Life expectancy, female** | **NUMBER** | 51 | 51 | 52 | 52 | 53 | 53 | 54 |
| Total fertility rate (interp series) | NUMBER | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Contraceptive acceptors | NUMBER | 0 | 0 | 0 | 3,700 | 4,600 | 8,200 | 11,400 |
| Contraceptive users | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, rural | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, urban | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **HEALTH AND NUTRITION** | | | | | | | | |
| Number of physicians | NUMBER | 41 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 14 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 0 | 0 | 365 | 0 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,111 | 2,183 | 2,123 | 2,104 | 2,117 | 2,111 | 2,122 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 73 | 74 | 73 | 72 | 71 | 70 | 69 |
| % Dwellings w/electricity | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | PERCENT | 29 | 0 | 0 | 0 | 0 | 45 | 0 |
| Safe water, rural | PERCENT | 26 | 0 | 0 | 0 | 0 | 39 | 0 |
| Safe water, urban | PERCENT | 71 | 0 | 0 | 0 | 0 | 95 | 0 |
| **EDUCATION** | | | | | | | | |
| Gross enrollment ratio | PERCENT | 65 | 0 | 0 | 0 | 0 | 72 | 82 |
| Gross enrollment ratio, male | PERCENT | 63 | 0 | 0 | 0 | 0 | 69 | 77 |
| Gross enrollment ratio, female | PERCENT | 67 | 0 | 0 | 0 | 0 | 74 | 87 |
| % Pups reaching grade 6 | PERCENT | 0 | 0 | 0 | 0 | 76 | 0 | 0 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | 59 | 0 | 0 | 0 | 0 | 0 |
| **EMPLOYMENT** | | | | | | | | |
| Labor force size | NUMBER | 238,000 | 246,000 | 254,000 | 262,000 | 270,000 | 278,000 | 286,400 |
| Labor participation rate | PERCENT | 38 | 0 | 0 | 0 | 0 | 37 | 0 |

SOCIAL INDICATORS FOR BOTSWANA
Based upon World Bank Data

| TITLE | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|
| LAND | | | | | | | | |
| Total land area | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 |
| Total agricultural land | 454 | 454 | 454 | 454 | 454 | 454 | 454 | 454 |
| Arable land | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Pasture land | 440 | 440 | 440 | 440 | 440 | 440 | 440 | 440 |
| POPULATION | | | | | | | | |
| Total population, (interp series) | 812,600 | 841,300 | 871,400 | 901,500 | 932,300 | 964,200 | 997,400 | 1,032,500 |
| Population, female | 421,986 | 441,641 | 462,885 | 476,757 | 493,142 | 510,585 | 528,027 | 546,526 |
| Population, male | 342,014 | 328,759 | 338,415 | 425,243 | 439,058 | 453,615 | 469,373 | 485,974 |

SOCIAL INDICATORS FOR BOTSWANA
Based upon World Bank Data

| TITLE | 1985 | 1986 |
|---|---|---|
| LAND | | |
| Total land area | [illegible] | 0 |
| Total agricultural land | 0 | 0 |
| Arable land | 14 | 0 |
| Pasture land | 440 | 0 |
| POPULATION | | |
| Total population, (interp series) | 1,070,001 | 1,107,301 |
| Population, female | 563,072 | 0 |
| Population, male | 506,929 | 0 |
| Population, age 0-14 | 516,865 | 0 |
| Population, age 15-64 | 510,371 | 0 |
| Population, age 65+ | 42,765 | 0 |
| Urban population total | 288,900 | 0 |
| Urban population as % total | 20 | 0 |
| Agriculture population density | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | |
| Crude birth rate, (interp series) | 48 | 0 |
| Crude death rate (interp series) | 12 | 0 |
| Infant mort rate, age 0-1 (interp series) | 71 | 0 |
| Child mort rate, age 1-4 (interp series) | 11 | 0 |
| Life expectancy, total | 57 | 0 |
| Life expectancy, males (interp series) | 54 | 0 |
| Life expectancy, female | 60 | 0 |
| Total fertility rate (interp series) | 7 | 0 |
| Contraceptive acceptors | 0 | 0 |
| Contraceptive users | 0 | 0 |
| Persons per household | 0 | 0 |
| Persons per household, rural | 0 | 0 |
| Persons per household, urban | 0 | 0 |
| HEALTH AND NUTRITION | | |
| Number of physicians | 0 | 0 |
| Population per physician | 0 | 0 |
| Number of nurses | 0 | 0 |
| Population per nurse | 0 | 0 |
| Number of hospital beds | 0 | 0 |
| Pop per hospital bed | 0 | 0 |
| Daily calorie intake | 2,159 | 0 |
| Daily calorie requirement | 0 | 0 |
| Daily protein supply (gms) | 67 | 0 |
| % Dwellings w/electricity | 0 | 0 |
| Safe water access as % of population | 0 | 0 |
| Safe water, rural | 0 | 0 |
| Safe water, urban | 0 | 0 |
| EDUCATION | | |
| Gross enrollment ratio | 104 | 0 |
| Gross enrollment ratio, male | 95 | 0 |
| Gross enrollment ratio, female | 113 | 0 |
| % Pups reaching grade 6 | 0 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 |
| EMPLOYMENT | | |
| Labor force size | 386,000 | 393,200 |

SOCIAL INDICATORS FOR BOTSWANA
Based upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|---|---|
| Male labor participation rate | PERCENT | 47 | 0 | 0 | 0 | 0 | 47 | 0 |
| Female labor participation rate | PERCENT | 31 | 0 | 0 | 0 | 0 | 28 | 0 |
| Female labor force as % total labor force | PERCENT | 44 | 43 | 43 | 42 | 41 | 41 | 40 |
| Labor in agriculture as % total | PERCENT | 86 | 84 | 83 | 81 | 80 | 78 | 77 |
| Labor in industry | PERCENT | 4.5 | 5.3 | 6.1 | 6.8 | 7.6 | 8.4 | 9.2 |
| Labor in services | PERCENT | 10.0 | 10.7 | 11.4 | 12.1 | 12.8 | 13.5 | 14.2 |

SOCIAL INDICATORS FOR BOTSWANA
Based upon World Bank Data

| TITLE | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|
| Labor participation rate | 0 | 0 | 0 | 35 | 0 | 0 | 0 | 0 |
| Male labor participation rate | 0 | 0 | | 45 | 0 | 0 | 0 | 0 |
| Female labor participation rate | 0 | 0 | 0 | 25 | 0 | 0 | 0 | 0 |
| Female labor force as % total labor force | 40 | 39 | 39 | 38 | 38 | 37 | 37 | 37 |
| Labor in agriculture as % total | 75 | 73 | 72 | 70 | 0 | 0 | 0 | 0 |
| Labor in industry | 10.1 | 10.9 | 11.8 | 12.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Labor in services | 14.9 | 15.7 | 16.4 | 17.1 | 0.0 | 0.0 | 0.0 | 0.0 |

SOCIAL INDICATORS FOR BOTSWANA
Based upon World Bank Data

| TITLE | 1985 | 1986 |
|---|---|---|
| Labor participation rate | 34 | 0 |
| Male labor participation rate | 45 | 0 |
| Female labor participation rate | 24 | 0 |
| Female labor force as % total labor force | 36 | 36 |
| Labor in agriculture as % total | 0 | 0 |
| Labor in industry | 0.0 | 0.0 |
| Labor in services | 0.0 | 0.0 |

XIII-A-1

LESOTHO:

ECONOMIC POLICY PROFILE

## 1. LIBERALIZATION STRATEGY OVERVIEW (1)

Lesotho is completely surrounded by South Africa, being a small, mountains "island" within the surrounding powerful economy of South Africa. The economic base is limited, built upon a few natural resources. Land for agriculture, people, and abundant water resources comprise the economic base. A Lesotho Highlands Water Project (LHWP) is a major development project intended to capture and store water for export to South Africa, estimated to cost U.S. $1.5 billion (at 1985 prices). This will be a major stimulus to the economy, with possibility for considerable linkages and opportunities for subsidiary services and economic activities.

Agriculture (including animal husbandry) is basic to the economy, affecting the incomes and employment of 60-70 percent of the households and generating one fifth of GDP and nearly 60 percent of total merchandise exports. But possibilities for further development of agriculture are limited by: a scarcity of arable land (only 13 percent of the total land area is cultivable); low farming productivity due to poor quality land and the marginal economic returns available to labor compared to off-farm and ex-country employment alternatives; an ill-suited land tenure system; extensive soil erosion partly deriving from the land tenure system and resulting overgrazing; and uncertain climatic conditions.

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(1) The discussion in this paper is based upon analyses and documents of the World Bank, the International Monetary Fund, and U.S. A.I.D. It is intended to provide an overview of issues and progress concerning economic management of Lesotho's economy and to assist U.S. A.I.D. in considering a five year development strategy for Southern Africa.

Lesotho's industrial base is narrow, being limited by a small domestic market. There is heavy dependence on imported raw materials and other inputs, while poorly skilled manpower hinders expansion and productivity. These all contribute to making difficult the task of securing additional export markets as an outlet for increased production of manufactured goods.

A major source of economic activity involves the remittances from Basotho migrant labor in South Africa, confined primarily to work in gold and coal mining. Such remittances constitute nearly half of GNP and are ten times export earnings. But there is considerable uncertainty about the stability of this activity given the economic and political situation in South Africa. Unemployment is a growing problem and concern, linked partly to the uncertainty and stagnant demand in South Africa for additional labor and related to the limited absorptive capacity of Lesotho's formal domestic economy for additional labor. Given a population growth rate of some 2.6 percent and some 20,000 new entrants to the labor force each year, domestic job creation is estimated to be able to accommodate only approximately 10 percent of this increase each year. Thus strategies to create productive employment opportunities is perhaps the most significant challenge in the economy.

Close links to South Africa derive from the geographical location of Lesotho and institution arrangements in place. The country is a member of the South African Customs Union (SACU) and the Common Monetary Area (CMA). Its currency, the loti, is pegged at a par of one to one with the South African rand. The free exchange system allows for current payments and transfers on international transactions. The result is a very narrow ability to conduct macroeconomic policies, especially monetary and external policies. The economy is porous, as goods are readily available from abroad, goods and financial resources capable of moving across the border, and the economic conditions in South Africa determinant in establishing economic aggregates in Lesotho. With large import requirements for consumption and capital goods and relatively low exports, there is a requirement of investment and assistance inflows, requiring maintenance of economic policies and conditions conducive to foreign investment and support. Economic management takes place mainly in adjusting key price variables such as the interest rate and minimum agricultural prices to developments in South Africa, as well as managing fiscal operations.

Government revenues are highly dependent, over half, upon SACU receipts, over which Lesotho has no control and which are received with a two-year lag. Supplemental revenues from the domestic revenue base are very limited with large cyclic swings

related to changes in migrant workers' remittances and other economic and political changes in South Africa. Expenditures for recurrent needs are growing as social projects move from capital construction to operation and unemployment as well as other social problems put pressure on Government to increase programs. Some parastatals are also creating budgetary pressure for additional subsidies to offset operating losses and capital costs.

By far the most significant capital project is the Lesotho Highlands Water Project. It will export water to the Johannesburg and Witwatersrand area while generating electricity and providing irrigation for Lesotho. Secondary activities such as services, secondary industry, fishing and tourism will also bring benefits. Employment during the construction phases as well as related to the maintenance and secondary economic activities of the project will contribute to easing the unemployment problem. South Africa will finance the capital costs of the water transfer part of the project while Lesotho must raise funds for the hydropower component. Royalties from water delivery should begin in 1997 but prior returns in the form of SACU rebates on project-related imports totaling some US$75-100 million should become available as early as 1991 or 1992. Thus, there is an imminent need to assure that revenues are put to best use to generate long-term development in the country. This will be part of a need to strengthen public expenditure planning and monitoring.

The external sector relies heavily upon migrant workers' remittances while export earnings are small and imports very high. There was a rapid growth of debt during the early 1980s so that the external debt burden has doubled. Positioning the country for a more viable balance of payments requires expansion and diversification of export earnings, reduction in the rate of growth of consumer imports, and limitation on non-concessional foreign borrowing.

During the early 1980s Lesotho's economy contracted, due to a drought-related setback in agriculture in 1982 and a sharp shock in 1983 deriving from closure of the diamond mine and completion of some large construction projects. There was a temporary recovery in 1984 where GDP grew at 9 percent, but since then its growth has been only modest, averaging 2.9 percent during 1985-87 in the face of a 2.6 percent population growth rate. Stimulated by a sharp increase in the early 1980s, workers' remittances outpaced GDP, but since 1984 nominal GDP has exceeded remittances. This has meant that real growth of GNP has lagged behind that of GDP. But in 1987, with remittances rising sharply, real GNP grew at nearly twice that of GDP. On a per capita basis real GNP declined by 1.5 percent from 1982 to 1987 while real GDP has risen by less than 1 percent.

Lesotho's current development strategy is contained in the Fourth Five-Year Plan for 1986/87 - 1990/91. Paramount is an improvement of the living conditions of Lesotho's people through employment generation and more equitable income distribution. Real GDP is projected to grow at an average annual rate of 3-4 percent over the plan period, thus making modest gains in outstripping population growth and raising per capita income levels. The strategy for achieving this growth rate is an increase in private sector investment, foreign and domestic, with the public sector providing necessary infrastructure and market-oriented incentives to raise productivity and increase output. Considerable emphasis is placed on rural employment creation through labor-intensive agricultural development programs, as well as increases in productivity of agricultural and livestock activities. Promotion of horticulture and food-grain crops is targeted to reduce imports and stimulate export-oriented production. Promotion of industries based upon domestic resources and using available labor for assembly-type operations of imported inputs is intended to promote growth in the manufacturing sector. Development of tourism and other services related to the LHWP should also generate employment and foreign exchange savings/earnings.

Within the very limited flexibility of macroeconomic policy determination open to Lesotho, the Government has undertaken a series of corrective structural adjustment measures which should lead to a more viable foundation for sustainable economic growth. Working with the IMF and the World Bank, a macroeconomic program with supporting policy measures has been developed and articulated in a Policy Framework Paper for the years 1988/89 - 1990/91. This program requires that Government reduce its consumption growth while assuring that the private sector respond with higher domestic and foreign investment in efficient production activity generating adequate employment opportunities to moderate the unemployment problem. This is undertaken in the face of considerable uncertainty about events in South Africa, whose change inevitably will affect Lesotho.

The 3-year period will see Government undertake to restore and sustain domestic economic growth, expand employment, raise living standards, and strengthen the nation's fiscal and external payments positions. The target growth rate of GDP is 4 percent in real terms compared with a population growth rate of 2.6 percent. Gross domestic investment is targeted to grow by 18.8 percent of GNP during this period, with a substantial increase in the proportion of investment financed by national savings. The external current account deficit, standing at 6 percent of GNP in 1987/88, is scheduled to drop to 3 percent by 1990/91. To achieve this imports are projected to increase by 1 percent per year in real terms while imports of intermediate and capital goods are to grow as a proportion of total imports in support of investment and production targets. Imports of consumer goods are expected to decline, in relation to stagnant remittances, import substitution in agriculture and

manufacturing, and appropriate monetary and fiscal measures to dampen demand for imports. Export volume is projected to grow by 10 percent each year, building upon recent investment in light manufacturing, export-oriented enterprises and Government plans to encourage investment in export opportunities. The Government will have to reduce its overall deficit from 19 percent of GDP (10 percent of GNP) in 1987/88 to 2.5 percent of GDP (1.4 percent of GNP)by 1992/93.

Unless progress is made on this agenda of structural adjustment, Lesotho is likely to continue on its past path of slow economic growth coupled with continued degradation of the resource base. Without hope of increased employment of citizens in South African mines in increasing numbers, half of GNP cannot grow in real terms. This shifts growth opportunities to expanding domestic output, with all of the challenges and difficulties outlined here.

## 2. KEY POLICY ELEMENTS

### 2.A. Exchange Rate Management

Lesotho is part of the Common Monetary Area (CMA), which also includes South Africa and Swaziland. The April 1, 1986 Trilateral Monetary Agreement specifies that there be no restrictions to payments within the CMA and Lesotho applies exchange controls similar to those of South Africa and Swaziland for payments to countries outside of the CMA. The currency unit is the loti (plural is maloti) which is pegged to the South African rand at a 1 to 1 par. Under the CMA agreement the rand is legal tender in Lestho as is the loti. Exchange rates for the U.S. dollar are based on the floating middle rate of the South African rand against the U.S. dollar. There are no taxes or subsidies on sales or purchases of foreign exchange. In September, 1985 Lesotho along with South Africa reintroduced a dual exchange rate system discontinued in February, 1983. This provided that local sales proceeds of CMA securities and other investments owned by non-CMA residents could not be transferred in foreign currency, but rather had to be retained as "financial rand" balances. Such balances can be transferred among non-residents at a freely determined exchange rate, thus establishing a multiple currency practice applicable to capital transactions. For other transactions the Central Bank, which controls all external currency transactions, has delegated authority to approve certain types of current payments to selected commercial banks.

The fixed monetary relationship of the loti to the rand has provided stability and policy discipline, a benefit which must be considered as Lesotho considers options for altering the links between its currency and South Africa. With the very heavy weight of South Africa in Lesotho's trade basket, the real effective exchange rate has depreciated only slightly in the past few years despite substantial nominal depreciation. But given the country's debt which is mostly denominated in non-rand currencies, the nominal depreciation has brought about a large increase in debt servicing requirements, which by the end of 1986 stood at 3 percent of earnings from exports of goods and services and 26 percent of earnings from goods and non-factor services. With great uncertainty about the political and economic situation in South Africa, this is a fragile base from which to operate external borrowing.

## 2.B. Import Administration

Imports consist of approximately 60 percent consumer goods, with the remainder made up of intermediate and capital goods. Some 95 percent of all imports come from South Africa. As a member of the Southern African Customs Union, along with Botswana, Swaziland and South Africa, Lesotho does not impose import restrictions on goods originating in any part of the customs union. Goods imported from South Africa do not require import licenses and include an unknown quantity of goods originating outside the customs union. Where goods are imported from outside of countries in the customs union, they usually require import licenses conforming to South Africa's import regulations. Import licenses are valid for all countries and entitle the holder to buy the foreign exchange required to make import payments. Lesotho has no bilateral payments arrangements.

## 2.C. Export Policies

The composition of exports has changed dramatically since 1982. In the past diamonds constituted Lesotho's main export, but with closure of the principal diamond mine in 1982 the share of diamonds dropped from 40 percent to approximately 3 percent of export receipts. The principal export is now livestock products (mostly wool and mohair) which has risen from 13 percent of export earnings in 1982 to 44 percent during 1983-86. Exports of manufactures, consisting primarily of clothing, textiles, footwear and chemical goods,rose from 37 percent in 1982 to 39 percent in 1983-86. With the decrease of diamond exports the direction of export trade shifted from Europe where some 60 percent of exports used to go with the remaining 40 percent destined for sale within the SACU. Currently Europe receives about 10 percent of exports, while the SACU countries, mainly South Africa, receive nearly 87 percent.

Some exports are subject to licensing, mainly for revenue purposes. In practice this procedure applies only to exports of diamonds. Most exports are shipped without license to or through South Africa. To promote an expansion and diversification of exports, the Government established in 1987 an export financing scheme. This was intended to become operational at the beginning of the 1988/89 fiscal year. Administered by the Central Bank, it covers short-term (3 to 13 months) credit extended by banks to the export sector, for which the Central Bank provides a refinancing facility. Some risk will remain with the commercial banks, but the Central Bank will bear the major risk, thus stimulating an increase in credit for export producers.

## 2.D. Industrial Policies

Agro-industries dominate manufacturing, including milling, brewery operations,fruit and vegetable canning, and leather and jute bag production. Other important industries include textile and clothing manufacturing, light engineering, and handicrafts. This sector has been the most dynamic contributor to the economy, with its share rising from 6 percent in 1982 to nearly 11 percent presently. Capacity utilization has been near three quarters in recent years and employment generated by manufacturing industries has risen at an average annual rate of 14 percent from 1980-85 as compared to 7 percent from 1974-80. But these figures mask the fact that the industrial base is very small, less than 5 percent of GNP in 1985 and only 8,700 jobs out of 65,000 jobs in the domestic formal sector. Thus, industrial development and job creation even at rapid growth rates will only make small contributions to the overall need for growth and employment. In addition, numerous problems hinder this process, including lack of entrepreneurship, scarcity of credit, and need for foreign investment capital.

A major objective in industrial policy has been diversification of the industrial base to promote large use of local materials and labor. Two public enterprises, the Lesotho National Development Corporation (LNDC) and the Basotho Enterprises Development Corporation (BEDCO) have been used to actively promote industrial development. The LNDC promotes and sometimes participates in large-scale investments, usually structured around foreign capital, using a tax holiday currently available up to 10 years or generous tax allowances, training grants, subsidized loans and industrial site rentals. Small-scale indigenous enterprises are promoted by FEDCO through provision of finance and credit facilities, training, and marketing assistance.

Government policy is to promote industrial production which

has an export orientation, including textiles, processed wool, and mohair products. It will likewise attempt to promote industries and services which generate secondary benefits from the Lesotho Highlands Water Project. A government industrial sector study concluded that there is need for a separate investment promotion unit to promote private investment and provide basic investor services. The objective would be to promote investment from South Africa and elsewhere. Scheduled to become operational during 1988/89, the promotion unit would serve as a one-stop service for investors, coordinating the work of other government agencies involved in investment approvals. Focused largely on an export promotion strategy via new investment, the Government's investment strategy is intended to optimize foreign investment while minimizing loss of government revenue. Thus, use of incentives such as tax holidays will be used carefully since they may not be the deciding factor in attracting and retaining foreign enterprises. In this connection a prior decision to lengthen tax holidays up to 10 years is to be reviewed to see if alternative incentives could lead to more effective use of resources being used to subsidize new investors.

A package of incentives and policies will continue to be offered to potential investors in import-substitution and export activities, to be supplemented by an export financing scheme for export-oriented investments. The Government intends to continue encouraging industries using raw materials (agro-industries) and assembly-type operations. With appropriate import-substitution policies and use of monetary and fiscal policies this strategy should promote industrial activity while improving the external current account.

Lesotho cannot hope to equal the industrial incentives offered in the "homelands" of South Africa. However, there are advantages to investment in the country, including a low-cost and relatively productive and reliable labor force and a location with political access to foreign markets. Some South African firms desiring to protect their export markets may be enticed to relocate in Lesotho, in moves that are more than mere relabeling operations, that take advantage of what the country has to offer.

## 2.E. Price Regulation

Consistent with the open nature of the economy, the only prices administered in Lesotho by the Government are utility tariffs, rents for government housing, and prices paid to farmers for the five main food crops. Price developments are closely linked to South Africa's economy since imports on a duty-paid c.i.f. basis amount to almost 75 percent of the country's GNP and South Africa accounts for some 95 percent of imports. Prices in Lesotho tend to be higher than in South Africa by a factor reflecting additional transport and handling costs and local markups.

## 2.F. Fiscal Policies

The exercise of responsible fiscal policy is key in an environment where monetary and exchange rate policies are severely constrained by the close links to South Africa. In this situation Government's fiscal policy objectives are to strengthen the budgetary process, raise revenue, and restrain current expenditure. During the Policy Framework Period plans call for revenue-raising measures to include: simplification of the individual income tax and adjustment of tax brackets; movement to a single tax rate for company income tax and enhanced enforcement on larger companies; expansion of the tax base to include public enterprises currently excluded; broadening the sales tax base to include public utility services; tightening tax exemptions currently granted and raising taxes on luxury items; improvements at borders for collecting sales tax; implementation of a direct income tax on migrant miners; and greater cost recovery on government services including education, health services, and public utilities.

Expenditure control is necessary in light of the strong growth of recurrent expenditures due to major weaknesses in budgeting and planning and lack of coordination between recurrent and capital budgets. This will rest upon improved budgetary processes and expenditure controls. The restraint of current expenditures will be focused on civil service payments, early retirement of civil servants, and limits on the rate of increase of the wage and salary bill to no more than the GDP deflator. Growth of expenditure for other goods and services will also be restrained to only a small growth in nominal terms.

Public enterprises or parastatals in Lesotho include utilities and some transportation, trading, development and financial organizations. In a move to reduce and then eliminate Government subsidies for these entities a more flexible tariff policy will be considered so that rates can be adjusted as frequently as is necessary. Such charges will be adjusted upwards until the burden of all capital expenditures is transferred from the Government to enterprise budgets. Also a parastatal performance evaluation unit will be established to improve performance and constrain the tendency of parastatals to grow without proper Government oversight and approval.

## 2.G. Financial Sector Policies

The Central Bank of Lesotho is responsible for currency issue, administration of exchange controls, and regulation of

financial institutions. As a member of the Common Monetary Area (CMA), along with South Africa and Swaziland, the country allows circulation of the South African rand as legal tender and unrestricted transfer of funds between Lesotho and South Africa, free access to South African capital and money markets by lesotho residents, and a generally uniform exchange control regime with the rest of the world.

The main instruments of monetary policy used include interest rates, liquidity and reserve ratios, and the MLAR requirement for financial institutions. Due to the linkage of the economy to South Africa, the scope and effectiveness of monetary policy as an instrument of economic management is very limited. Interest rates move broadly in line with those in South Africa. The minimum savings deposit rate and the prime lending rate are fixed by the Central Bank and have been generally lower than those in South AFrica due to the higher bank operating costs in Lesotho and a desire of monetary authorities to stimulate bank credit. Other rates are freely determined by market forces. Lesotho's interest rates rose sharply between June, 1983 to June, 1985 when rates in South Africa increased dramatically, but have declined since that time, including a reduction in the spread between the lending and deposit rates. This has been undertaken to stimulate private sector credit. However, relatively high inflation rates have kept deposit rates negative, acting as a deterrent to domestic savings.

An independent monetary policy is severely constrained by membership in the CMA and other close ties to South Africa. It is feasible for Lesotho to increase commercial banks' use of excess liquidity for productive investments which support the Government's planned increase in absorptive capacity. The export financing scheme, recently announced, will help credit flow to productive investment and exports by reducing credit risks for commercial banks. Also Government will encourage profitable enterprises to issue commercial paper as a means of widening financial instruments. Training for small-scale industrialists is intended to reduce credit risk and improve operating efficiencies. Additional saving instruments are also under consideration, especially those targeted at migrant workers holding deposits in South Africa.

## 2.H. Other Policies

The single most important economic activity in Lesotho is agriculture, providing income and employment for more than 80 percent of the resident labor force. Its share of GDP is approximately 17 percent. Within the sector the share of crop production (including fruits and vegetables) in GDP declined from 7 to 5 percent while that of livestock output rose from 10 to 12 percent. Stagnant crop production has meant increasing

imports of part of the country's food requirements; in 1986/87 output of main cereals covered only some 58 percent of food requirements. Agricultural development is hampered by some serious physical and sociological constraints limiting productivity and impeding the application of technological innovation. The rugged terrain, with only 13 percent suitable for cultivation, means that poor fertility and soil erosion act as limits on availability of good farmland. Where land is arable, the use of fertilizers and other inputs has been limited and irrigation has been largely unavailable, both adding up to a situation where crop production is vulnerable to weather. The relative attractiveness of income-earning opportunities in mining has reduced the appeal of domestic crop farming and the individual farmers' incentives for efficient utilization of land. With wage earnings in mining at least 8 times higher than domestic farm income opportunities, most able-bodied men seek employment in South African mines. Also the land tenure system, vesting all land in the Basotho Nation which holds it in trust by the King who delegates responsibility for its administration to local chiefs, offers few incentives for sound land management and fragments holdings into small parcels.

Agriculture is a key sector in promoting structural adjustment and achievement of adequate growth. Government's strategy for this sector, supported by multilateral and bilateral donors, is to: improve the land tenure system and grazing regulations; halt soil erosion; promote forestry development; improve marketing and distribution facilities and extension services; increase research on farming and land management systems and on new crops and disease control techniques; and more emphasis on intensive livestock development in the lowlands.

DEVELOPMENT INDICATORS FOR LESOTHO
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | Local currency | 6.2 | 8.3 | 10.8 | 12.1 | 15.8 |
| Current prices Private Consumption, etc. | Local currency | 63.2 | 63.7 | 85.6 | 116.0 | 146.9 |
| Current prices Domestic Absorption | Local currency | 75.4 | 86.0 | 106.2 | 144.4 | 190.0 |
| Current prices Exports of Goods & NF Services | Local currency | 5.7 | 6.8 | 10.1 | 12.8 | 14.1 |
| Current prices GDP at Factor Cost | Local currency | 47.8 | 46.1 | 59.1 | 76.9 | 84.0 |
| Current prices Gross Domestic Product | Local currency | 52.5 | 50.5 | 64.3 | 87.8 | 98.0 |
| Current prices Gross Domestic Savings | Local currency | (16.9 | (21.5) | (32.1) | (40.3) | (64.7) |
| Current prices Gross National Product | Local currency | 74.8 | 76.2 | 95.8 | 132.4 | 158.1 |
| Current prices Gross National Savings | Local currency | 40.2 | 41.5 | 47.5 | 71.5 | 75.4 |
| Current prices Imports of Goods & NF Services | Local currency | 28.6 | 36.3 | 52.0 | 69.4 | 96.1 |
| Current prices Fixed Investment | Local currency | 5.1 | 7.1 | 8.6 | 10.7 | 14.5 |
| Current prices Gross Domestic Investment | Local currency | 6.0 | 8.0 | 9.8 | 16.3 | 17.3 |
| Current prices Net Factor Income (+) or Payments | Local currency | 22.3 | 25.6 | 31.5 | 44.6 | 60.1 |
| Current prices Indirect Taxes Net of Subsidies | Local currency | 4.7 | 4.4 | 5.2 | 10.9 | 14.0 |
| Current prices Resource Balance | Local currency | (22.9 | (29.5) | (41.9) | (56.8) | (82.0) |
| Current prices Value Added in Agriculture | Local currency | 16.7 | 17.7 | 21.0 | 32.7 | 31.7 |
| Current prices Value Added in Industry | Local currency | 4.4 | 4.6 | 6.0 | 8.3 | 11.3 |
| Current prices Value Added in Manufacturing | Local currency | 2.1 | 2.4 | 2.8 | 3.9 | 4.8 |
| Current prices Value Added in Services, etc. | Local currency | 26.7 | 28.2 | 32.1 | 35.9 | 41.6 |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | Local currency | 0.0 | 0.0 | 0.0 | 4.7 | 6.7 |
| Government Capital Payments | Local currency | 0.0 | 0.0 | 0.0 | 3.5 | 5.4 |
| Government Capital Receipts | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Budget Balance | Local currency | 0.0 | 0.0 | 0.0 | 8.2 | 15.1 |
| Government Current Expenditure | Local currency | 0.0 | 0.0 | 0.0 | 15.7 | 16.9 |
| Government Current Revenue | Local currency | 0.0 | 0.0 | 0.0 | 23.9 | 32.0 |
| MONEY | | | | | | |
| Money Supply, Broadly Defined | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Money as Means of Payment | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Quasi-Monetary Liabilities | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Currency Outside Banks | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Demand Deposits | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRADE | | | | | | |
| Current prices Exports of Manufactures | US $ | 0.4 | 0.4 | 1.3 | 2.4 | 2.3 |
| Current prices Exports of Nonfuel Primary Products | US $ | 5.6 | 3.6 | 6.7 | 10.6 | 11.6 |
| Current prices Value of Exports | US $ | 6.0 | 4.0 | 8.0 | 13.0 | 14.0 |
| Current prices Imports of Fuels | US $ | 2.1 | 2.4 | 3.4 | 5.4 | 7.4 |
| Current prices Imports of Manufactures | US $ | 19.2 | 25.8 | 37.1 | 57.6 | 79.4 |
| Current prices Imports of Nonfuel Primary Products | US $ | 10.7 | 10.9 | 15.5 | 24.1 | 33.2 |
| Current prices Value of Imports, cif | US $ | 32.0 | 39.0 | 56.0 | 87.0 | 120.0 |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | US $, as per IBRD DRS | 0.1 | 0.1 | 0.2 | 0.3 | 0.1 |
| Net Long-Term Loans | US $, as per IBRD DRS | 0.2 | 0.3 | 0.4 | (0.2) | 1.9 |
| Disbursements of Long-Term Loans | US $, as per IBRD DRS | 0.4 | 0.5 | 0.5 | 0.5 | 2.0 |
| Repayments on Long-Term Loans | US $, as per IBRD DRS | 0.2 | 0.2 | 0.1 | 0.2 | 0.1 |
| Public/Publicly Guar. Long-Term Debt | US $, IBRD DRS - end of y | 8.2 | 8.7 | 9.5 | 8.3 | 10.2 |
| Public Long Term Debt, IBRD & IDA | US $, IBRD DRS - end of y | 4.1 | 4.1 | 4.9 | 5.0 | 6.4 |
| Public Long Term Debt, Official Creditors | US $, IBRD DRS - end of y | 7.7 | 8.0 | 8.5 | 7.3 | 9.3 |
| Public Long Term Debt, Private Creditors | US $, IBRD DRS - end of y | 0.5 | 0.7 | 1.0 | 1.0 | 0.9 |
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | US $, BoP | 48.8 | 52.0 | 57.4 | 96.8 | 117.8 |
| Merchandise Exports, fob | US $, BoP | 5.9 | 4.2 | 7.9 | 12.6 | 14.4 |
| Exports of Goods & Services | US $, BoP | 11.2 | 16.5 | 18.5 | 18.6 | 27.1 |
| Non-Factor Services Receipts | US $, BoP | 2.1 | 5.3 | 5.2 | 5.8 | 6.4 |
| Factor Service Receipts | US $, BoP | 3.2 | 7.0 | 5.4 | 0.2 | 6.3 |

DEVELOPMENT INDICATORS FOR LESOTHO
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | | | |
| Current prices General Government Consumption | 21.3 | 24.9 | 29.2 | 40.9 | 52.4 | 98.9 | 108.6 | 99.0 |
| Current prices Private Consumption, etc. | 187.2 | 210.5 | 264.2 | 300.7 | 353.7 | 395.3 | 473.7 | 596.4 |
| Current prices Domestic Absorption | 209.2 | 281.8 | 335.4 | 401.7 | 490.7 | 594.9 | 698.6 | 835.9 |
| Current prices Exports of Goods & NF Services | 14.6 | 21.3 | 18.0 | 36.4 | 50.0 | 61.9 | 63.4 | 57.5 |
| Current prices GDP at Factor Cost | 97.4 | 114.1 | 144.5 | 185.5 | 215.5 | 264.4 | 286.6 | 299.7 |
| Current prices Gross Domestic Product | 110.6 | 128.4 | 169.1 | 231.8 | 244.3 | 297.3 | 328.4 | 369.2 |
| Current prices Gross Domestic Savings | (77.9) | (107.0) | (125.3) | (109.8) | (161.8) | (198.9) | (253.9) | (326.2) |
| Current prices Gross National Product | 199.7 | 247.7 | 308.0 | 385.1 | 422.5 | 502.3 | 583.2 | 744.8 |
| Current prices Gross National Savings | 27.0 | 18.9 | 42.0 | 87.4 | 84.3 | 92.0 | 63.3 | 98.9 |
| Current prices Imports of Goods & NF Services | 113.2 | 174.7 | 185.3 | 206.3 | 296.4 | 359.5 | 433.6 | 524.2 |
| Current prices Fixed Investment | 20.7 | 45.5 | 40.3 | 51.0 | 72.7 | 93.5 | 107.4 | 140.0 |
| Current prices Gross Domestic Investment | 20.7 | 46.4 | 42.0 | 60.1 | 84.6 | 100.7 | 116.3 | 140.5 |
| Current prices Net Factor Income (+) or Payments | 89.1 | 119.3 | 139.9 | 153.3 | 178.2 | 205.0 | 254.8 | 375.6 |
| Current prices Indirect Taxes Net of Subsidies | 13.2 | 14.3 | 23.6 | 46.3 | 28.8 | 32.9 | 41.8 | 69.5 |
| Current prices Resource Balance | (98.6) | (153.4) | (167.3) | (168.5) | (246.4) | (297.6) | (370.2) | (466.7) |
| Current prices Value Added in Agriculture | 31.7 | 31.0 | 49.6 | 55.3 | 65.7 | 70.0 | 74.1 | 63.9 |
| Current prices Value Added in Industry | 12.3 | 21.7 | 22.4 | 43.5 | 54.0 | 64.8 | 64.3 | 82.7 |
| Current prices Value Added in Manufacturing | 5.6 | 6.2 | 7.2 | 10.1 | 11.9 | 13.9 | 16.8 | 22.2 |
| Current prices Value Added in Services, etc. | 53.8 | 61.4 | 72.5 | 86.8 | 95.8 | 129.6 | 148.2 | 153.1 |
| GOVERNMENT | | | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (8.7) | (12.9) | (3.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Capital Payments | 14.3 | 21.2 | 36.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Capital Receipts | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Budget Balance | 5.6 | 8.4 | 26.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Expenditure | 26.8 | 31.9 | 43.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Government Current Revenue | 32.4 | 40.3 | 70.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MONEY | | | | | | | | |
| Money Supply, Broadly Defined | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 116.6 | 144.2 | 185.4 |
| Money as Means of Payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 48.5 | 58.6 | 77.2 |
| Quasi-Monetary Liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 68.1 | 85.6 | 108.2 |
| Currency Outside Banks | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.9 | 10.6 | 17.8 |
| Demand Deposits | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 41.5 | 48.0 | 59.4 |
| TRADE | | | | | | | | |
| Current prices Exports of Manufactures | 3.5 | 2.9 | 7.9 | 10.5 | 14.2 | 12.3 | 12.0 | 9.2 |
| Current prices Exports of Nonfuel Primary Products | 13.5 | 11.2 | 24.2 | 34.5 | 43.8 | 38.7 | 38.0 | 25.9 |
| Current prices Value of Exports | 17.0 | 14.0 | 32.0 | 45.0 | 58.0 | 51.0 | 50.0 | 35.0 |
| Current prices Imports of Fuels | 9.9 | 12.7 | 14.1 | 16.8 | 23.0 | 30.2 | 34.7 | 31.6 |
| Current prices Imports of Manufactures | 105.9 | 136.9 | 151.5 | 180.6 | 238.2 | 307.0 | 352.0 | 348.7 |
| Current prices Imports of Nonfuel Primary Products | 44.3 | 57.3 | 63.4 | 75.6 | 111.9 | 152.9 | 177.3 | 133.7 |
| Current prices Value of Imports, cif | 160.0 | 207.0 | 229.0 | 273.0 | 373.0 | 490.0 | 564.0 | 514.0 |
| LOANS AND DEBT | | | | | | | | |
| Long-Term Interest Payments | 0.2 | 0.3 | 0.2 | 0.3 | 0.5 | 1.5 | 1.6 | 4.7 |
| Net Long-Term Loans | 4.5 | 2.3 | 8.0 | 8.2 | 19.1 | 11.6 | 18.1 | 43.2 |
| Disbursements of Long-Term Loans | 4.5 | 2.5 | 8.1 | 8.8 | 20.8 | 14.9 | 20.9 | 47.6 |
| Repayments on Long-Term Loans | 0.0 | 0.2 | 0.1 | 0.6 | 1.7 | 3.3 | 2.8 | 4.4 |
| Public/Publicly Guar. Long-Term Debt | 14.1 | 16.1 | 24.0 | 32.5 | 52.1 | 62.7 | 77.1 | 117.6 |
| Public Long Term Debt, IBRD & IDA | 8.1 | 10.0 | 15.0 | 17.7 | 20.3 | 24.1 | 31.3 | 39.6 |
| Public Long Term Debt, Official Creditors | 13.4 | 15.5 | 23.4 | 31.9 | 43.7 | 51.3 | 61.5 | 99.9 |
| Public Long Term Debt, Private Creditors | 0.7 | 0.6 | 0.6 | 0.6 | 8.4 | 11.4 | 15.6 | 17.7 |

DEVELOPMENT INDICATORS FOR LESOTHO
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| NATIONAL INCOME | | | | |
| Current prices General Government Consumption | 111.2 | 124.9 | 0.0 | 0.0 |
| Current prices Private Consumption, etc. | 711.7 | 808.8 | 0.0 | 0.0 |
| Current prices Domestic Absorption | 923.4 | 1,096.2 | 0.0 | 0.0 |
| Current prices Exports of Goods & NF Services | 52.2 | 61.8 | 0.0 | 0.0 |
| Current prices GDP at Factor Cost | 310.1 | 375.3 | 0.0 | 0.0 |
| Current prices Gross Domestic Product | 396.8 | 480.1 | 575.1 | 649.8 |
| Current prices Gross Domestic Savings | (426.1) | (453.6) | 0.0 | 0.0 |
| Current prices Gross National Product | 835.2 | 987.7 | 1,252.4 | 1,415.0 |
| Current prices Gross National Savings | 100.8 | 179.9 | 0.0 | 0.0 |
| Current prices Imports of Goods & NF Services | 579.8 | 677.9 | 0.0 | 0.0 |
| Current prices Fixed Investment | 100.2 | 150.6 | 0.0 | 0.0 |
| Current prices Gross Domestic Investment | 100.5 | 162.5 | 0.0 | 0.0 |
| Current prices Net Factor Income (+) or Payments | 438.4 | 507.6 | 677.3 | 765.2 |
| Current prices Indirect Taxes Net of Subsidies | 86.7 | 104.8 | 0.0 | 0.0 |
| Current prices Resource Balance | (526.6) | (616.1) | 0.0 | 0.0 |
| Current prices Value Added in Agriculture | 75.3 | 98.0 | 0.0 | 0.0 |
| Current prices Value Added in Industry | 85.0 | 86.1 | 0.0 | 0.0 |
| Current prices Value Added in Manufacturing | 30.2 | 43.3 | 0.0 | 0.0 |
| Current prices Value Added in Services, etc. | 169.8 | 191.2 | 0.0 | 0.0 |
| GOVERNMENT | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (19.7) | (12.6) | (27.9) | 0.0 |
| Government Capital Payments | 53.8 | 84.6 | 58.8 | 0.0 |
| Government Capital Receipts | 1.1 | 0.0 | 0.0 | 0.0 |
| Government Current Budget Balance | 32.0 | 72.0 | 30.9 | 0.0 |
| Government Current Expenditure | 142.3 | 167.5 | 211.6 | 0.0 |
| Government Current Revenue | 174.3 | 239.5 | 242.5 | 0.0 |
| MONEY | | | | |
| Money Supply, Broadly Defined | 217.0 | 250.3 | 310.7 | 352.1 |
| Money as Means of Payment | 94.7 | 103.3 | 132.1 | 154.6 |
| Quasi-Monetary Liabilities | 122.3 | 147.0 | 177.6 | 197.5 |
| Currency Outside Banks | 23.1 | 23.7 | 25.2 | 32.6 |
| Demand Deposits | 61.5 | 79.6 | 107.9 | 122.1 |
| TRADE | | | | |
| Current prices Exports of Manufactures | 8.6 | 7.2 | 5.1 | 6.9 |
| Current prices Exports of Nonfuel Primary Products | 26.4 | 20.8 | 15.4 | 15.5 |
| Current prices Value of Exports | 35.0 | 28.0 | 20.5 | 24.3 |
| Current prices Imports of Fuels | 34.5 | 24.9 | 22.1 | 6.2 |
| Current prices Imports of Manufactures | 298.4 | 267.1 | 208.8 | 420.5 |
| Current prices Imports of Nonfuel Primary Products | 228.1 | 212.0 | 145.6 | 4.2 |
| Current prices Value of Imports, cif | 561.0 | 504.0 | 376.5 | 425.0 |
| LOANS AND DEBT | | | | |
| Long-Term Interest Payments | 6.2 | 5.7 | 4.2 | 4.2 |
| Net Long-Term Loans | 19.5 | 9.0 | 25.9 | 12.2 |
| Disbursements of Long-Term Loans | 34.4 | 26.4 | 39.0 | 21.9 |
| Repayments on Long-Term Loans | 14.9 | 17.4 | 14.0 | 9.7 |
| Public/Publicly Guar. Long-Term Debt | 131.0 | 130.7 | 163.5 | 182.1 |
| Public Long Term Debt, IBRD & IDA | 47.9 | 53.2 | 61.9 | 68.6 |
| Public Long Term Debt, Official Creditors | 105.7 | 116.9 | 155.7 | 173.9 |
| Public Long Term Debt, Private Creditors | 25.3 | 13.8 | 7.8 | 8.2 |

DEVELOPMENT INDICATORS FOR LESOTHO
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| Factor Service Payments | US $, BoP | 1.0 | 1.1 | 1.3 | 2.0 | 2.7 |
| Merchandise Imports, fob | US $, BoP | 30.5 | 37.3 | 53.0 | 82.8 | 114.3 |
| Imports of Goods & Services | US $, BoP | 41.0 | 51.9 | 68.6 | 101.7 | 144.2 |
| Non-Factor Services Payments | US $, BoP | 9.5 | 13.5 | 14.3 | 16.9 | 27.2 |
| Increase (-) in Reserves | US $, BoP | 0.6 | (0.1) | 0.0 | (0.1) | (0.2) |
| Other Net Long-Term Inflows | US $, BoP | (0.1) | 0.0 | (0.1) | 0.0 | 0.0 |
| Current Account Balance | US $, BoP | 18.9 | 16.6 | 7.3 | 13.7 | 0.7 |
| Net Foreign Direct Investment | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Net Capital Inflows | US $, BoP | (19.6) | (16.8) | 0.0 | (13.4) | (2.4) |
| INDICIES | | | | | | |
| Terms of Trade Index | US dollar-based | 137.4 | 117.1 | 121.1 | 139.0 | 107.7 |
| Constant price Exports, fob | 1980 US $ | 18.5 | 12.7 | 21.6 | 23.7 | 22.4 |
| Constant price Imports, cif | 1980 US $ | 135.7 | 145.3 | 183.5 | 220.3 | 207.1 |
| Domestic Absorption Deflator | 1980=100 | 37.3 | 35.8 | 42.3 | 46.7 | 51.1 |
| GDP Deflator | 1980=100 | 37.3 | 34.1 | 43.5 | 47.0 | 47.3 |
| Agricultural Value Added Deflator | 1980=100 | 21.7 | 15.2 | 33.3 | 44.4 | 35.1 |
| Industrial Value Added Deflator | 1980=100 | 55.7 | 85.1 | 52.6 | 48.8 | 55.1 |
| Manufacturing Employment | 1980=100 | 0.0 | 0.0 | 64.1 | 96.7 | 96.8 |
| Manufacturing Real Output per Employee | 1980=100 | 0.0 | 0.0 | 35.4 | 54.4 | 54.5 |
| Manufacturing Real Earnings per Employee | 1980=100 | 0.0 | 0.0 | 0.0 | 65.4 | 67.6 |
| Fuel Export Price Index | 1980=100, US dollar-based | 4.3 | 5.6 | 6.2 | 8.9 | 36.7 |
| Manufactures Export Price Index | 1980=100, US dollar-based | 37.5 | 36.5 | 38.5 | 49.5 | 67.2 |
| Nonfuel Primary Products Export Price Index | 1980=100, US dollar-based | 32.1 | 31.0 | 36.7 | 56.3 | 61.6 |
| Export Price Index, fob | 1980=100, US dollar-based | 32.4 | 31.4 | 37.0 | 54.9 | 62.4 |
| Import Price Index, cif | 1980=100, US dollar-based | 23.6 | 26.8 | 30.5 | 39.5 | 57.9 |
| Conversion Factor, Annual Average | Local currency per U.S. d | 0.7 | 0.7 | 0.8 | 0.7 | 0.7 |

DEVELOPMENT INDICATORS FOR LESOTHO
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| BALANCE OF PAYMENTS | | | | | | | | |
| Net Current Transfers | 21.4 | 7.6 | 31.5 | 54.0 | 80.6 | 137.8 | 71.7 | 45.8 |
| Merchandise Exports, fob | 13.5 | 17.9 | 15.2 | 33.1 | 46.3 | 59.9 | 46.8 | 42.4 |
| Exports of Goods & Services | 152.5 | 172.6 | 200.0 | 233.5 | 284.9 | 360.0 | 387.3 | 433.5 |
| Non-Factor Services Receipts | 12.1 | 12.0 | 14.2 | 16.9 | 18.7 | 26.9 | 26.0 | 25.0 |
| Factor Service Receipts | 126.9 | 142.7 | 170.6 | 183.5 | 219.9 | 273.2 | 314.6 | 365.1 |
| Factor Service Payments | 4.5 | 4.2 | 5.0 | 5.8 | 5.9 | 7.3 | 8.7 | 12.4 |
| Merchandise Imports, fob | 151.4 | 189.5 | 210.7 | 247.1 | 324.2 | 426.1 | 450.9 | 449.0 |
| Imports of Goods & Services | 174.8 | 214.6 | 240.6 | 278.9 | 365.5 | 478.7 | 504.6 | 515.1 |
| Non-Factor Services Payments | 18.9 | 21.4 | 24.9 | 30.0 | 35.4 | 45.3 | 45.0 | 53.6 |
| Increase - in Reserves | (0.7) | 0.0 | 0.1 | 0.2 | 0.0 | (42.9) | 36.4 | (13.6) |
| Other Net Long-Term Inflows | (0.5) | (0.2) | 2.1 | 2.3 | 5.7 | 19.5 | 10.9 | (20.5) |
| Current Account Balance | (1.1) | (34.2) | (9.2) | 8.5 | 0.6 | (11.1) | (45.6) | (35.8) |
| Net Foreign Direct Investment | 0.0 | 0.0 | 0.3 | 0.0 | 0.1 | 4.6 | 4.8 | 3.9 |
| Other Net Capital Inflows | (3.2) | 32.0 | (0.9) | (19.2) | (24.4) | 19.3 | (24.6) | 22.8 |
| INDICIES | | | | | | | | |
| Terms of Trade Index | 100.0 | 100.4 | 95.0 | 95.6 | 100.8 | 100.0 | 97.0 | 96.1 |
| Constant price Exports, fob | 27.9 | 21.6 | 45.4 | 58.7 | 62.1 | 51.0 | 52.0 | 38.5 |
| Constant price Imports, cif | 262.5 | 323.1 | 328.9 | 355.0 | 410.8 | 490.0 | 568.8 | 543.6 |
| Domestic Absorption Deflator | 52.6 | 61.2 | 65.2 | 73.2 | 85.7 | 100.0 | 110.0 | 127.9 |
| GDP Deflator | 61.7 | 64.5 | 69.2 | 84.8 | 92.8 | 100.0 | 112.0 | 124.7 |
| Agricultural Value Added Deflator | 46.2 | 47.8 | 62.9 | 60.9 | 70.0 | 100.0 | 106.5 | 107.9 |
| Industrial Value Added Deflator | 67.2 | 81.6 | 52.6 | 87.7 | 91.8 | 100.0 | 117.3 | 121.3 |
| Manufacturing Employment | 96.6 | 106.4 | 97.0 | 98.0 | 99.0 | 100.0 | 101.0 | 102.1 |
| Manufacturing Real Output per Employee | 59.8 | 58.8 | 69.2 | 81.8 | 83.2 | 100.0 | 107.6 | 125.7 |
| Manufacturing Real Earnings per Employee | 72.7 | 67.3 | 72.3 | 94.1 | 94.7 | 100.0 | 104.9 | 129.1 |
| Fuel Export Price Index | 25.7 | 26.4 | 42.0 | 42.3 | 61.3 | 100.0 | 112.5 | 111.6 |
| Manufactures Export Price Index | 66.1 | 66.7 | 71.7 | 76.1 | 90.6 | 100.0 | 99.1 | 94.8 |
| Nonfuel Primary Products Export Price Index | 59.5 | 63.8 | 64.5 | 76.9 | 94.5 | 100.0 | 95.3 | 89.5 |
| Export Price Index, fob | 61.0 | 64.4 | 66.1 | 76.7 | 93.3 | 100.0 | 96.2 | 90.9 |
| Import Price Index, cif | 61.0 | 64.1 | 69.6 | 76.9 | 90.8 | 100.0 | 99.2 | 94.6 |
| Conversion Factor, Annual Average | 0.7 | 0.9 | 0.9 | 0.9 | 0.9 | 0.8 | 0.9 | 1.1 |

DEVELOPMENT INDICATORS FOR LESOTHO
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| BALANCE OF PAYMENTS | | | | |
| Net Current Transfers | 79.5 | 87.5 | 61.8 | 55.9 |
| Merchandise Exports, fob | 31.6 | 26.8 | 23.0 | 24.5 |
| Exports of Goods & Services | 468.2 | 382.8 | 301.3 | 327.1 |
| Non-Factor Services Receipts | 24.0 | 19.0 | 16.0 | 16.8 |
| Factor Service Receipts | 412.5 | 337.0 | 262.3 | 285.8 |
| Factor Service Payments | 16.8 | 18.3 | 13.1 | 15.2 |
| Merchandise Imports, fob | 485.3 | 392.6 | 313.0 | 341.8 |
| Imports of Goods & Services | 547.6 | 447.4 | 356.5 | 392.3 |
| Non-Factor Services Payments | 45.5 | 36.4 | 30.4 | 35.3 |
| Increase (-) in Reserves | (31.6) | (18.3) | (20.7) | (9.0) |
| Other Net Long-Term Inflows | (7.0) | 2.4 | (11.8) | (1.0) |
| Current Account Balance | 0.1 | 23.0 | 6.6 | (9.4) |
| Net Foreign Direct Investment | 4.5 | 4.7 | 3.1 | 4.3 |
| Other Net Capital Inflows | 10.5 | (20.9) | (2.2) | 2.8 |
| INDICIES | | | | |
| Terms of Trade Index | 96.1 | 90.4 | 97.8 | 87.9 |
| Constant price Exports, fob | 38.8 | 32.4 | 23.3 | 25.7 |
| Constant price Imports, cif | 597.3 | 526.8 | 418.3 | 376.2 |
| Domestic Absorption Deflator | 141.6 | 0.0 | 0.0 | 0.0 |
| GDP Deflator | 140.9 | 155.8 | 182.3 | 0.0 |
| Agricultural Value Added Deflator | 113.2 | 136.9 | 0.0 | 0.0 |
| Industrial Value Added Deflator | 148.1 | 169.5 | 0.0 | 0.0 |
| Manufacturing Employment | 103.1 | 104.1 | 105.2 | 0.0 |
| Manufacturing Real Output per Employee | 109.8 | 109.6 | 0.0 | 0.0 |
| Manufacturing Real Earnings per Employee | 112.2 | 114.4 | 115.4 | 0.0 |
| Fuel Export Price Index | 92.5 | 90.2 | 87.5 | 45.0 |
| Manufactures Export Price Index | 96.7 | 89.3 | 89.0 | 103.2 |
| Nonfuel Primary Products Export Price Index | 90.2 | 85.6 | 87.7 | 90.6 |
| Export Price Index, fob | 90.3 | 86.5 | 88.0 | 94.8 |
| Import Price Index, cif | 93.9 | 95.7 | 90.0 | 113.0 |
| Conversion Factor, Annual Average | 1.1 | 1.4 | 2.2 | 2.3 |

SOCIAL INDICATORS FOR LESOTHO
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | SQ KILOM. | 30 | 30 | 30 | 30 | 30 | 30 |
| Arable land | SQ KILOM. | 4 | 4 | 4 | 4 | 4 | 4 |
| Pasture land | SQ KILOM. | 21 | 20 | 20 | 20 | 20 | 20 |
| POPULATION | | | | | | | |
| Total population, (interp series) | NUMBER | 1,064,001 | 1,089,001 | 1,114,001 | 1,139,001 | 1,166,001 | 1,197,001 |
| Population, female | NUMBER | 536,513 | 548,422 | 560,322 | 572,215 | 584,602 | 597,480 |
| Population, male | NUMBER | 527,487 | 539,578 | 551,678 | 562,786 | 576,398 | 589,517 |
| Population, age 0-14 | NUMBER | 429,506 | 440,020 | 450,556 | 461,115 | 472,104 | 483,523 |
| Population, age 15-64 | NUMBER | 583,517 | 597,495 | 611,326 | 625,641 | 638,481 | 651,845 |
| Population, age 65+ | NUMBER | 45,875 | 46,996 | 48,119 | 49,244 | 50,415 | 51,632 |
| Urban population total | NUMBER | 37,004 | 38,021 | 39,562 | 35,300 | 38,290 | 41,545 |
| Urban population as % total | PERCENT | 3 | 3 | 3 | 3 | 3 | 4 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 42 | 42 | 42 | 42 | 42 | 42 |
| Crude death rate (interp series) | NUMBER | 17 | 17 | 17 | 17 | 17 | 16 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 134 | 132 | 130 | 129 | 127 | 125 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 18 | 1 | 0 | 0 | 0 | 0 |
| Life expectancy, total | NUMBER | 49 | 49 | 49 | 49 | 50 | 50 |
| Life expectancy, males (interp series | NUMBER | 48 | 48 | 48 | 48 | 49 | 49 |
| Life expectancy, female | NUMBER | 51 | 51 | 51 | 51 | 52 | 52 |
| Total fertility rate (interp series) | NUMBER | 6 | 6 | 6 | 6 | 6 | 6 |
| Contraceptive users | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, rural | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, urbar | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | NUMBER | 35 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 30 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 0 | 0 | 0 | 301 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 0 | 4 | 0 |
| Number of hospital beds | NUMBER | 1,9[illegible] | | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 1 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 1,917 | 1,951 | 1,935 | 1,902 | 2,027 | 2,044 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 60 | 62 | 59 | 60 | 64 | 62 |
| % Dwellings w/electricity | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | PERCENT | 3 | 0 | 0 | 0 | 0 | 17 |
| Safe water, rural | PERCENT | 1 | 0 | 0 | 0 | 0 | 14 |
| Safe water, urban | PERCENT | 100 | 0 | 0 | 0 | 0 | 65 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | PERCENT | 87 | 0 | 0 | 0 | 0 | 105 |
| Gross enrollment ratio, male | PERCENT | 71 | 0 | 0 | 0 | 0 | 87 |
| Gross enrollment ratio, female | PERCENT | 101 | 0 | 0 | 0 | 0 | 122 |
| % Pups reaching grade 6 | PERCENT | 0 | 0 | 0 | 0 | 0 | 38 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | NUMBER | 545,000 | 555,400 | 565,800 | 576,200 | 586,600 | 597,000 |
| Labor participation rate | PERCENT | 51 | 0 | 0 | 0 | 0 | 50 |
| Male labor participation rate | PERCENT | 56 | 0 | 0 | 0 | 0 | 56 |
| Female labor participation rate | PERCENT | 47 | 0 | 0 | 0 | 0 | 45 |
| Female labor force as % total labor force | PERCENT | 48 | 48 | 48 | 47 | 47 | 47 |
| Labor in agriculture as % total | PERCENT | 90 | 90 | 89 | 89 | 88 | 88 |
| Labor in industry | PERCENT | 3 | 3 | 3 | 3 | 4 | 4 |
| Labor in services | PERCENT | 7 | 7 | 8 | 8 | 8 | 9 |

SOCIAL INDICATORS FOR LESOTHO
Based Upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Arable land | 4 | 3 | 3 | 3 | 3 | 3 | 3 |
| Pasture land | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| POPULATION | | | | | | | |
| Total population, (interp series) | 1,220,001 | 1,252,001 | 1,286,001 | 1,320,001 | 1,355,001 | 1,391,001 | 1,428,001 |
| Population, female | 613,912 | 628,319 | 643,220 | 658,615 | 674,000 | 690,000 | 707,000 |
| Population, male | 606,088 | 620,681 | 635,780 | 651,386 | 667,000 | 683,414 | 700,325 |
| Population, age 0-14 | 498,496 | 511,864 | 525,727 | 540,068 | 554,477 | 572,164 | 590,490 |
| Population, age 15-64 | 668,533 | 682,967 | 697,879 | 713,279 | 728,015 | 742,517 | 756,751 |
| Population, age 65+ | 52,992 | 54,174 | 55,394 | 56,653 | 57,908 | 59,320 | 60,770 |
| Urban population total | 54,169 | 70,353 | 91,394 | 118,753 | 154,215 | 166,197 | 175,117 |
| Urban population as % total | 5 | 7 | 8 | 10 | 12 | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | 42 | 42 | 42 | 42 | 41 | 41 | 41 |
| Crude death rate (interp series) | 16 | 16 | 16 | 15 | 15 | 15 | 15 |
| Infant mort rate, age 0-1 (interp series) | 124 | 122 | 121 | 119 | 116 | 113 | 111 |
| Child mort rate, age 1-4 (interp series) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Life expectancy, total | 51 | 51 | 51 | 52 | 52 | 52 | 52 |
| Life expectancy, males (interp series) | 49 | 50 | 50 | 50 | 51 | 51 | 51 |
| Life expectancy, female | 52 | 52 | 53 | 54 | 54 | 54 | 55 |
| Total fertility rate (interp series) | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Contraceptive users | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Persons per household, rural | 4 | 4 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, urban | 0 | 4 | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,159 | 2,310 | 2,367 | 2,745 | 2,795 | 2,857 | 2,919 |
| Daily calorie requirement | 0 | 2,260 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 65 | 68 | 70 | 70 | 71 | 67 | 68 |
| % Dwellings w/electricity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | 0 | 0 | 0 | 0 | 14 | 0 | 0 |
| Safe water, rural | 0 | 0 | 0 | 0 | 14 | 0 | 0 |
| Safe water, urban | 0 | 0 | 0 | 0 | 37 | 0 | 0 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | 105 | 105 | 103 | 104 | 102 | 0 | 110 |
| Gross enrollment ratio, male | 80 | 84 | 87 | 94 | 0 | 0 | 94 |
| Gross enrollment ratio, female | 125 | 125 | 124 | 123 | 0 | 0 | 126 |
| % Pups reaching grade 5 | 0 | 0 | 0 | 0 | 74 | 0 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | 610,000 | 623,000 | 636,000 | 649,000 | 662,000 | 675,800 | 689,600 |
| Labor participation rate | 0 | 0 | 0 | 0 | 49 | 0 | 0 |
| Male labor participation rate | 0 | 0 | 0 | 0 | 50 | 0 | 0 |
| Female labor participation rate | 0 | 0 | 0 | 0 | 44 | 0 | 0 |

SOCIAL INDICATORS FOR LESOTHO
Based Upon World Bank Data

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| LAND | | | | |
| Total land area | 30 | 30 | 30 | 0 |
| Arable land | 3 | 3 | 3 | 0 |
| Pasture land | 20 | 20 | 20 | 0 |
| POPULATION | | | | |
| Total population, (interp series) | 1,466,001 | 1,505,901 | 1,545,001 | 1,586,001 |
| Population, female | 725,266 | 742,858 | 764,536 | 0 |
| Population, male | 717,734 | 735,143 | 750,464 | 0 |
| Population, age 0-14 | 609,434 | 628,611 | 648,807 | 0 |
| Population, age 15-64 | 771,309 | 785,650 | 800,874 | 0 |
| Population, age 65+ | 62,258 | 63,740 | 65,319 | 0 |
| Urban population total | 193,065 | 207,981 | 224,220 | 0 |
| Urban population as % total | 0 | 0 | 17 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | |
| Crude birth rate, (interp series) | 41 | 41 | 41 | 0 |
| Crude death rate (interp series) | 0 | 0 | 14 | 0 |
| Infant mort rate, age 0-1 (interp series | 109 | 108 | 106 | 0 |
| Child mort rate, age 1-4 (interp series) | 0 | 14 | 14 | 0 |
| Life expectancy, total | 53 | 54 | 54 | 0 |
| Life expectancy, males (interp series) | 0 | 0 | 53 | 0 |
| Life expectancy, female | 0 | 0 | 56 | 0 |
| Total fertility rate (interp series) | 6 | 6 | 6 | 0 |
| Contraceptive users | 0 | 0 | 0 | 0 |
| Persons per household | 0 | 5 | 0 | 0 |
| Persons per household, rural | 0 | 0 | 0 | 0 |
| Persons per household, urban | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | |
| Number of physicians | 0 | 0 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,381 | 2,358 | 2,299 | 0 |
| Daily calorie requirement | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 70 | 69 | 66 | 0 |
| % Dwellings w/electricity | 0 | 5 | 0 | 0 |
| Safe water access as % of population | 0 | 0 | 0 | 0 |
| Safe water, rural | 0 | 0 | 0 | 0 |
| Safe water, urban | 0 | 0 | 0 | 0 |
| EDUCATION | | | | |
| Gross enrollment ratio | 111 | 112 | 115 | 0 |
| Gross enrollment ratio, male | 97 | 98 | 102 | 0 |
| Gross enrollment ratio, female | 126 | 1,135 | 127 | 0 |
| % Pupils reaching grade 6 | 44 | 0 | 0 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | |
| Labor force size | 703,400 | 717,200 | 731,000 | 746,600 |
| Labor participation rate | 0 | 0 | 48 | 0 |
| Male labor participation rate | 0 | 0 | 55 | 0 |
| Female labor participation rate | 0 | 0 | 41 | 0 |

SOCIAL INDICATORS FOR LESOTHO
Based upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| Female labor force as % total labor force | 47 | 45 | 45 | 45 | 45 | 45 | 45 |
| Labor in agriculture as % total | 85 | 87 | 87 | 87 | 86 | . | . |
| Labor in industry | 4 | 4 | 4 | 4 | 4 | 0 | 0 |
| Labor in services | 9 | 9 | 9 | 9 | 10 | 0 | 0 |

SOCIAL INDICATORS FOR LESOTHO
Based Upon World Bank Data

| TITLE | 1987 | 1994 | 1995 | 1996 |
|---|---|---|---|---|
| Female labor force as % total labor force | 45 | 45 | 45 | 44 |
| Labor in agriculture as % total | 0 | 0 | 0 | 0 |
| Labor in industry | 0 | 0 | 0 | 0 |
| Labor in services | 0 | 0 | 0 | 0 |

# SWAZILAND:

## ECONOMIC POLICY PROFILE

### 1. LIBERALIZATION STRATEGY OVERVIEW (1)

The nature of Swaziland's efforts at liberalization and economic reform are a function of its location, economic structure and organization, and exceedingly open economy. Nearly surrounded by South Africa and being a member of the Southern African Customs Union (SACU) and the Common Monetary Area (CMA) which was formerly called the Rand Monetary Area, there is a tight linkage of the country's economic performance to South Africa and little room for independent fiscal or monetary policy. The private sector plays a large role in the economy which has a strong market orientation, with prices signaling resource allocation and providing incentives for efficient production.

Swaziland's membership in SACU, along with Botswana, Lesotho and South Africa, means that import tariffs and conditions are determined by South Africa, though provision is made for consultation among the Customs Union members. The provision for tariff protection of infant industries has not generally been exercised by Swaziland to protect new industry. Some efforts at restriction of food imports competing with local produce have been undertaken but overall restraints on imports are minimal.

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The discussion in this paper is based upon analyses and documents of the World Bank, the International Monetary Fund, and U.S. A.I.D. It is intended to provide an overview of issues and progress concerning economic management of Swaziland's economy and to assist U.S. A.I.D. in considering a five year development strategy for Southern Africa.

Government revenues are largely derived from a share of SACU collections, with the tariff rates and terms basically beyond Swaziland's control. Prices are tightly linked to those in South Africa due to an open border and minimal restrictions on imports and exports. Inflation rates are therefore determined by events in the South African economy, even though Swaziland at least nominally controls prices of many essential commodities including those under exclusive local production.

The Swazi currency, the lilangeni, is completely backed by rands, rand deposits and South African government securities; thus the lilangeni is freely convertible with other world currencies. The South African Rand circulates freely along side of Swazi currency and there are no restrictions on the movement of funds within the 3 nation CMA, whose other partners are Lesotho and South Africa. The linkage to CMA, however constrains the potential of monetary policy, as interest rates and credit availability derive from management of the South African economy.

Given it limited freedom to conduct independent macroeconomic policy, Swaziland has pursued a policy of encouraging private investment and initiative within a largely free enterprise economy, where the government is basically confined to providing public infrastructure and a suitable investment climate. The management of tax and loan policies has been used to entice private investment, both domestic and foreign. This has worked relatively well in a situation where the Swazi economy is attractive, being politically stable, with access to foreign exchange and labor as well as the South African economy, and a "safe harbor" of sorts from the disruptions and liabilities of locating production facilities in South Africa itself.

Other linkages to the South African economy stem from investment, trade and labor migration. Exports are one half of GDP while imports are equivalent to two thirds of aggregate expenditure. One third of these exports go to South Africa while 80 percent of imports come from South Africa, including 100 percent of energy imports. A large and rising proportion of trade transits through South Africa. The number of Swazi workers in South African mines has been increasing steadily over the past 5 years, with some one third of formal sector employment in Swaziland deriving from such labor. South African investments in Swazi facilities add to the tight linkages of the two economies.

Market forces are central to both economic policies and development strategy in Swaziland. Few prices are controlled and even controlled prices for commodities are adjusted frequently according to market forces so that no budgetary

subsidies result. Public enterprises are limited to rail, airline and public utilities, with the Government more recently adding some investments in tourism; the Government is also a minority partner in some firms, including the newly created Swaziland Industrial Development Corporation, a private company in which multilateral and bilateral agencies hold a controlling interest.

Private investment must provide the main impetus to growth over the medium term in this situation. The planning process focuses primarily on provision of services and infrastructure support, which is increasingly finding favor with investor interest from outside. Swaziland's access to markets in South Africa and the region, as well as other key markets, underlies this interest, as does the country's membership in the Lome Agreement. For such private investment that contributes to employment, the balance of payments in the case of exports, the budget, and growth, assurances must be provided that value added of a minimum amount (such as 25%) is contained in goods advertised as originating in the country. Failing the local content there would be very little benefit accruing to Swaziland products trans-shipped through for political purposes to gain access to regional and foreign markets for essentially South African products.

Employment opportunities for a rapidly growing labor force is perhaps the central development problem. To the extent that employment opportunities for Swazis in South Africa cannot be assured in the future, this safety valve for domestic surplus labor is uncertain. A continuing migration of refugees from Mozambique adds to the employment demand. Wages must be competitive and restrained if employment is to derive from additional investment in the magnitudes required. Government does not intervene in private sector wage decisions, but does use the establishment of public sector wages and the minimum wage as tools to promote wage moderation.

Availability of credit is a key to stimulating development of small businesses and agriculture. The financial system has had difficulties in granting credit to such small borrowers and the losses have been heavy. More successful credit programs for small business and agriculture, especially within the traditional land tenure system, are needed. The country has been a beneficiary of depositors' increasing preferences to keep funds in Swaziland rather than South Africa, even though where deposit rates are higher. A progressive lowering of deposit rates there has not stemmed this influx of deposits. At the same time, lending rates have been pegged to those in

South Africa, thus making capital expensive while loans granted have been lucrative for banks. There is a need for institutional innovation and increased competition in the financial sector if available capital is to be distributed more widely and to be channelled into priority private sector uses consistent with national objectives.

Strong export growth stemming from new investments in manufacturing and mining offers prospects for improved balance of payments conditions over the medium-term. This will likely support substantial growth in imports in real terms. But all of this is linked to maintaining competitiveness in world markets, which is tied to South Africa's policy of depreciating the rand to maintain its own competitiveness for nongold exports. An alternative, if the rand is allowed to appreciate, could be abandonment of the peg between the rand and the lilangeni. The costs of such a devaluation against the rand could come in terms of inflation and erosion of confidence, perhaps affecting capital movements and the interest rate. The tight relationship of the two economies means that a devaluation would not likely produce a major shift in the level or structure of prices of goods. Devaluation would then have to provide benefits via wage competitiveness, real incomes and absorption. Other policy instruments might be better to achieve increased competitiveness, since exchange rate policies may not be a close substitute for fiscal policy measures.

## 2. KEY POLICY ELEMENTS

### 2.A. Exchange Rate Management

The Swazi currency is pegged to the South African rand on a one to one basis. The Central Bank of Swaziland quotes exchange rates for the various convertible currencies and also for the PTA and SADCC countries in Africa. There are no taxes or subsidies on purchases or sales of foreign exchange. Within the CMA, which is treated as a single exchange control territory, no restrictions are applied to payments. Similarly for countries outside of the CMA, Swaziland applies exchange controls similar to those of South Africa. There are no bilateral payments arrangements.

Payments for imports within the customs union are made in domestic currency which is freely convertible; payments for other imports are supported by automatic availability of foreign exchange upon issuance of import licenses. Export proceeds from outside of SACU are to be surrendered to the Central Bank as part of the country's foreign reserves. Invisibles are similarly relatively free of control. Payments to nonresidents for current transactions, while under Government control, are usually not restricted. Capital being

brought into the country must have prior approval of the Central Bank, which then facilitates later repatriation of interest, dividends, profits and other income.

## 2.B. Import Administration

For a member of the SACU there are no import restrictions on goods originating in any member country of the customs union. Imports from South Africa do not require import licenses even where such goods originate outside the customs union. For imports from non-SACU countries import licenses are required, which entitle the holder to purchase foreign exchange. As a net importer of some food products (maize, vegetables and processed food) there is room for some import substitution if efficiently produced. Encouragement would have to come through indirect encouragement in light of the common tariff structure of SACU, although there is provision for some infant industry protection.

## 2.C. Export Policies

Swaziland licenses all exports, primarily for revenue reasons. Goods shipped to other SACU countries are licensed for purposes of taxation whereas goods shipped outside SACU are licensed primarily to assure realization of export proceeds, to be surrendered into the country's foreign reserves.

## 2.D. Industrial Policies

The composition of industrial activities derives from the overall structure of the economy. Swaziland is well endowed with productive soils and water ranging over a number of micro-climates. These resources support a diversity of crops and harvest times as well as wide-spread commercial forests. There are also mineral resources, including iron ore, gold, asbestos, coal, daolin and diamonds and proven reserves of tin copper, nickel and chrome yet to be exploited. Public infrastructure is well developed so that products can easily move through all parts of the country and into South Africa and beyond.

Agricultural and forest products are the country's basic output and comprise approximately one quarter of GDP. Some of these commodities are processed and manufactured by an industrial sector which also produces inputs and some consumer goods; it comprises another quarter of GDP, half of that representing the processing of domestic agricultural and forest commodities. Mining has been variable in its size, with iron ore ceasing but diamonds adding to activity in that sector. Government forms the third largest sector at some 22 percent of GDP.

Industrial policy revolves primarily around investment stimulation and efforts to improve the work skills of the population. Capital formation has been high, especially by African standards, with much of the investment going to the private sector. But the ratio of investment to resulting output has been quite low because of the exceptionally open economy and resulting leakage into increased imports mostly from South Africa and because government investment has gone into long gestation infrastructure projects. The tight linkage of the economy to South Africa provides a generally favorable climate within which foreign investors can operate, while sanctions and their threat in South Africa encourage diversion of some investment projects and capital to Swaziland. A shortage of middle-level managers and skilled workers is one of the few constraints on additional production, especially in the manufacturing sector. Continuing national resources, supplemented by donors, are going into manpower training and education.

Swaziland has a sound economic and financial environment within which investment can generate additional production capacity. Prices are allowed to operate freely to signal scarcity and efficiency aspects of production. Minimal government involvement in the economy means that the types of manufacturing entities arising will largely be sound, financially viable and competitive with regional and world prices of competing products. Thus, growth has and will focus on resource- and agro-based private industry. As long as macroeconomic policies are kept steady and severe disruption does not flow through South Africa to affect Swaziland, the major constraint on manufacturing activity will likely be a scarcity of skilled labor. With programs and projects in place to help alleviate this bottleneck, Swaziland is well positioned to take advantage of the changing investment climate in South Africa and the appeal of Swaziland's economic stability to attract investors positioning for the Southern African regional market.

The Government has instituted an active policy to attract new producers, built around a number of incentives to the first firm in a new industry. These include a 5 year tax holiday on profits up to one and one half times the initial capital investment. More generally, the country can offer an opportunity to export to South Africa within the SACU and to other favored markets in the PTA and SADCC as well as the European Economic Community under the Lome Convention.

Any strategy of industrial development must include several measures: aggressive efforts to attract investors from industrial and Far East countries; and strengthening of key institutions such as the National Industrial and Development Corporation, Small Enterprises Development Company and the Swaziland Development and Savings Bank so that they can help new investors and small enterprises financially and technically. Such a strategy will help exploit the good

potential in the country for agro-processing and rural-based production. Competition with Swaziland is intense from the homelands in South Africa which offer lucrative incentives to new investors, although there are increasing reasons for investors to question placing additional production facilities inside of South Africa given favorable alternatives close-by.

3E. Price Regulation

The open, market oriented nature of the country's economy means that nearly all prices are market determined. The only exceptions are the consumer price of fuel and producer prices of cotton, milk, maize and tobacco. These producer prices are adjusted frequently to market conditions, especially to changes occurring in South Africa. This tight linkage to South Africa means that Swaziland inflation follows closely trends in South Africa, except for differential sales taxes and transport costs. Thus, when the rand was depreciated in 1985 against major world currencies there was a sharp increase in inflation in both countries due to higher domestic costs of imports. More recent increases in South African inflation will be passed through to have similar impacts on Swaziland.

2.F. Fiscal Policies

Control over fiscal policy is limited in Swaziland to the extent that a major source of revenue is derived from receipts from the country's membership in SACU. There is a formula used for determining Swaziland's share, which among other aspects bases the current revenue transfers on activities in the customs pool two years previously. Over half of revenue comes from SACU receipts which itself is a decline from prior proportions of revenue. Sales tax revenue has increased substantially in absolute terms and as a percent of total revenue, partly due to major rate increases in 1986. An income tax on individual and businesses comprise the rest of the major sources of revenue.

Expenditures are divided between recurrent and capital projects. Government has been relatively responsible in limiting expenditures such that the fiscal deficit has been below 3 percent of GDP. In the face of declining revenue, Government has been able to restrict capital projects and make cuts in recurrent expenditures including a slowing of civil service employment. Financial improvements are needed in some government agencies and in parastatals requiring government subsidies, including the Central Transport Administration, Royal Swazi Airways, Swaziland Railways, and the National Industrial and Development Corporation of Swaziland. A Public Enterprise Monitoring Unit and measured to improve efficiency in these public entities have been of some help, but more

effort is required. In addition, a close scrutiny of the efficiency of public expenditure is necessary. This should evaluate the objectives of services like education, where increased emphasis on vocational and skilled manpower training may increase productivity in the economy and reduce bottlenecks caused by shortages. Similarly evaluation of health expenditures may improve services and provide for better maintenance of facilities already constructed. Improved project identification and implementation requires better management and coordination with private sector investments. Donor coordination and effective use of external assistance programs would increase the flow of resources and raise the country's absorptive capacity.

## 2.G. Financial Sector Policies

The Central Bank is responsible for currency issue, management of public debt, administration of exchange controls, and regulation of financial institutions. Starting April 1, 1986 when the Rand Monetary Area was renegotiated and renamed the CMA, the rand ceased to be legal tender in Swaziland, the requirement that it be backed by rand for the Central Bank's issuance of emalangeni was removed, and the country became free to conduct its own independent exchange rate policy. However, in practice the rand continues to circulate and back the Swazi currency.

Interest rates in Swaziland are largely determined by economic conditions in South Africa, which is reinforced by the right of Swazi citizens to bank in South Africa or Lesotho. Practical considerations, apparently, encourage a large number of Swazis to hold their bank balances in Swaziland even when the deposit rates earned are below those offered in South Africa. Lending rates in Swaziland, on the other hand, have closely tracked those of South Africa, making for a large spread between deposit and lending rates. When South Africa depreciated its currency (and thus the lilangeni in practice) and inflation spiraled in 1984 and 1985, interest rates rose rapidly. Since that time, however, rates have declined following the influence of South African monetary policy. In Swaziland the prime lending rate has mostly remained positive, standing above the rate of inflation; but the interest rate spread means that the deposit rate has been sharply negative.

## 2.H. Other Policies

Agricultural growth is a key to provision of employment, growth of commodity exports, and expansion of manufacturing prospects in agro-processing. Development of commercial agriculture and forestry on privately-owned land has been satisfactory in the past, resulting in capital-intensive, export oriented production of sugar cane, wood pulp, cotton,

pineappleand citrus. But development of the Swazi National Land (SNL) which is owned by the King and administered by local chiefs has been a disappointment. A Rural Development Area Program sought to develop SNL land, but was not successful. Despite provision of social and economic infrastructure within a program intended to use technology and extension services to raise yields, output did not increase. One cause of the problem was an assumption that the program would result in additional labor applications on the land; the reality has been a heavy diversion of rural labor to wage jobs in the modern sector with which rural agricultural compensation did not compete. As the urban-rural wage differential narrows due to rising unemployment in urban areas, higher population growth, and declining opportunities for workers to migrate to South Africa, the problem may be narrowed but not eliminated. And yet, the rural sector will have to generate most of the new employment opportunities in the future. Improvements in labor productivity, which raise income generation possibilities, can contribute to solving this problem. Likewise more attention needs to be focused on the degree to which the SNL land tenure system is a bottleneck to development and discourages the type of investment which would raise agricultural productivity.

DEVELOPMENT INDICATORS FOR SWAZILAND
BASED UPON WORLD BANK DATA
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | Local currency | 18.6 | 17.8 | 24.2 | 27.6 | 36.1 |
| Current prices Private Consumption, etc. | Local currency | 48.7 | 57.0 | 59.9 | 64.4 | 83.5 |
| Current prices Domestic Absorption | Local currency | 84.6 | 96.5 | 111.0 | 126.7 | 177.4 |
| Current prices Exports of Goods & NF Services | Local currency | 59.9 | 66.2 | 75.6 | 108.4 | 146.4 |
| Current prices GDP at Factor Cost | Local currency | 72.6 | 88.2 | 95.9 | 116.6 | 128.4 |
| Current prices Gross Domestic Product | Local currency | 89.9 | 109.1 | 120.5 | 148.6 | 177.4 |
| Current prices Gross Domestic Savings | Local currency | 22.6 | 34.3 | 36.4 | 56.2 | 87.8 |
| Current prices Gross National Product | Local currency | 79.4 | 100.1 | 108.9 | 127.7 | 162.7 |
| Current prices Gross National Savings | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 84.2 |
| Current prices Imports of Goods & NF Services | Local currency | 54.6 | 53.6 | 66.1 | 86.5 | 106.4 |
| Current prices Fixed Investment | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Gross Domestic Investment | Local currency | 17.3 | 21.7 | 26.9 | 34.7 | 47.9 |
| Current prices Net Factor Income (+) or Payments | Local currency | (10.5) | (9.0) | (11.2) | (20.9) | (24.7) |
| Current prices Indirect Taxes Net of Subsidies | Local currency | 17.3 | 20.9 | 24.6 | 32.0 | 41.0 |
| Current prices Resource Balance | Local currency | 5.3 | 12.6 | 9.5 | 21.9 | 40.6 |
| Current prices Value Added in Agriculture | Local currency | 24.1 | 32.7 | 33.7 | 41.6 | 47.3 |
| Current prices Value Added in Industry | Local currency | 19.2 | 21.8 | 26.7 | 29.4 | 35.3 |
| Current prices Value Added in Manufacturing | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Services, etc. | Local currency | 29.3 | 33.7 | 37.5 | 44.6 | 53.4 |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | Local currency | 0.0 | (1.0) | (4.6 | (10.8 | 1.7 |
| Government Capital Payments | Local currency | 0.0 | 3.5 | 8.2 | 16.8 | 19.0 |
| Government Capital Receipts | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Government Current Budget Balance | Local currency | 0.0 | 1.5 | 3.6 | 6.1 | 21.2 |
| Government Current Expenditure | Local currency | 0.0 | 16.0 | 17.8 | 22.5 | 25.6 |
| Government Current Revenue | Local currency | 0.0 | 17.5 | 21.4 | 28.6 | 46.8 |
| MONEY | | | | | | |
| Money Supply, Broadly Defined | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 57.6 |
| Money as Means of Payment | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 16.9 |
| Quasi-Monetary Liabilities | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 40.7 |
| Currency Outside Banks | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 5.3 |
| Demand Deposits | Local currency | 0.0 | 0.0 | 0.0 | 0.0 | 11.6 |
| TRADE | | | | | | |
| Current prices Value of Exports | US $ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value of Imports, cif | US $ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | US $, as per IBRD DRS | 1.1 | 1.2 | 1.4 | 1.7 | 1.9 |
| Disbursements of Long-Term Loans | US $, as per IBRD DRS | 3.5 | 0.2 | 6.0 | 11.2 | 3.3 |
| Net Long-Term Loans | US $, as per IBRD DRS | 2.3 | (2.4 | (1.2) | 3.2 | (1.4) |
| Repayments on Long-Term Loans | US $, as per IBRD DRS | 1.5 | 2.6 | 7.2 | 8.9 | 3.7 |
| Identified Short-Term Debt | US $, end of year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public/Publicly Guar. Long-Term Debt | US $, IBRD DRS - end of y | 37.0 | 34.5 | 32.6 | 36.9 | 36.7 |
| Public Long Term Debt, IBRD & IDA | US $, IBRD DRS - end of y | 9.0 | 8.6 | 8.5 | 8.5 | 8.1 |
| Public Long Term Debt, Official Creditors | US $, IBRD DRS - end of y | 20.9 | 21.0 | 21.7 | 32.1 | 34.1 |
| Public Long Term Debt, Private Creditors | US $, IBRD DRS - end of y | 16.1 | 13.6 | 10.9 | 4.8 | 2.2 |
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 16.4 |
| Merchandise Exports, fob | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 178.2 |
| Exports of Goods & Services | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 206.1 |
| Non-Factor Services Receipts | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 23.3 |
| Factor Service Receipts | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 4.3 |
| Factor Service Payments | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 38.4 |
| Merchandise Imports, fob | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 111.7 |
| Imports of Goods & Services | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 179.7 |
| Non-Factor Services Payments | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 25.6 |

DEVELOPMENT INDICATORS FOR SWAZILAND
BASED UPON WORLD BANK DATA
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | | | |
| Current prices General Government Consumption | 35.6 | 42.0 | 54.2 | 70.2 | 74.9 | 79.9 | 93.9 | 117.9 |
| Current prices Private Consumption, etc. | 105.5 | 104.6 | 146.8 | 181.5 | 273.3 | 358.9 | 454.7 | 451.4 |
| Current prices Domestic Absorption | 179.1 | 216.2 | 201.1 | 393.6 | 496.3 | 610.4 | 704.1 | 738.3 |
| Current prices Exports of Goods & NF Services | 155.5 | 179.4 | 172.9 | 185.4 | 221.2 | 325.7 | 388.0 | 416.7 |
| Current prices GDP at Factor Cost | 161.2 | 186.3 | 214.2 | 260.9 | 299.7 | 365.7 | 444.7 | 468.6 |
| Current prices Gross Domestic Product | 213.4 | 235.3 | 263.5 | 323.3 | 372.8 | 465.3 | 554.1 | 571.4 |
| Current prices Gross Domestic Savings | 72.3 | 88.7 | 62.5 | 71.6 | 24.6 | 26.5 | 5.5 | 2.1 |
| Current prices Gross National Product | 211.6 | 232.4 | 260.7 | 280.6 | 363.9 | 460.1 | 561.4 | 588.4 |
| Current prices Gross National Savings | 79.4 | 85.0 | 71.4 | 58.7 | 49.3 | 78.6 | 59.5 | 76.3 |
| Current prices Imports of Goods & NF Services | 121.2 | 160.3 | 181.5 | 256.7 | 344.7 | 470.8 | 538.0 | 580.6 |
| Current prices Fixed Investment | 0.0 | 0.0 | 68.1 | 144.9 | 142.1 | 147.8 | 140.2 | 145.6 |
| Current prices Gross Domestic Investment | 38.0 | 69.6 | 71.1 | 141.9 | 149.1 | 171.6 | 155.5 | 169.0 |
| Current prices Net Factor Income (+) or Payments | (1.8) | (2.9) | (2.8) | (42.7) | (18.9) | (5.2) | 7.3 | 17.0 |
| Current prices Indirect Taxes Net of Subsidies | 52.2 | 49.0 | 49.7 | 62.4 | 73.5 | 99.6 | 109.4 | 102.8 |
| Current prices Resource Balance | 34.3 | 19.1 | (8.6) | (76.3) | (122.5) | (145.1) | (150.0) | (166.9) |
| Current prices Value Added in Agriculture | 53.5 | 55.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Industry | 41.0 | 46.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Manufacturing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Services, etc. | 66.7 | 84.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GOVERNMENT | | | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | 17.4 | (8.5) | (8.6) | (40.6) | 3.9 | 27.5 | (48.9) | (31.8) |
| Government Capital Payments | 22.9 | 32.9 | 41.2 | 89.9 | 70.3 | 50.3 | 73.3 | 76.9 |
| Government Capital Receipts | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Government Current Budget Balance | 40.3 | 14.5 | 32.7 | 49.8 | 72.7 | 77.7 | 24.4 | 59.9 |
| Government Current Expenditure | 29.7 | 49.2 | 48.5 | 55.4 | 66.2 | 78.6 | 111.7 | 124.0 |
| Government Current Revenue | 70.0 | 64.7 | 81.2 | 105.2 | 138.9 | 156.3 | 136.1 | 183.9 |
| MONEY | | | | | | | | |
| Money Supply, Broadly Defined | 81.7 | 98.6 | 106.0 | 122.8 | 135.7 | 151.5 | 165.4 | 162.6 |
| Money as Means of Payment | 23.4 | 28.8 | 34.2 | 37.2 | 40.9 | 49.9 | 51.1 | 58.1 |
| Quasi-Monetary Liabilities | 58.3 | 69.8 | 71.8 | 85.6 | 94.8 | 101.6 | 114.3 | 105.5 |
| Currency Outside Banks | 5.1 | 6.5 | 7.3 | 8.9 | 9.6 | 11.9 | 14.4 | 15.0 |
| Demand Deposits | 18.3 | 22.3 | 26.8 | 28.3 | 31.3 | 38.0 | 36.7 | 43.1 |
| TRADE | | | | | | | | |
| Current prices Value of Exports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 368.4 | 391.0 | 341.0 |
| Current prices Value of Imports, cif | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 596.0 | 550.0 | 450.0 |
| LOANS AND DEBT | | | | | | | | |
| Long-Term Interest Payments | 1.0 | 0.7 | 1.1 | 2.2 | 3.7 | 7.1 | 7.7 | 7.9 |
| Disbursements of Long-Term Loans | 3.5 | 11.1 | 9.9 | 48.7 | 41.2 | 29.1 | 20.9 | 30.3 |
| Net Long-Term Loans | 1.2 | 10.1 | 9.0 | 47.0 | 37.5 | 24.1 | 13.4 | 20.0 |
| Repayments on Long-Term Loans | 2.3 | 1.0 | 0.9 | 1.7 | 3.7 | 5.0 | 7.5 | 10.3 |
| Identified Short-Term Debt | 0.0 | 0.0 | 8.0 | 17.0 | 8.0 | 15.0 | 6.0 | 14.0 |
| Public Publicly Guar. Long-Term Debt | 33.9 | 40.8 | 52.4 | 105.2 | 147.8 | 165.6 | 161.2 | 169.6 |
| Public Long Term Debt, IBRD & IDA | 7.8 | 9.6 | 14.9 | 21.8 | 23.5 | 25.2 | 34.4 | 43.5 |
| Public Long Term Debt, Official Creditors | 33.1 | 40.1 | 51.7 | 74.5 | 118.2 | 141.4 | 143.0 | 158.2 |
| Public Long Term Debt, Private Creditors | 0.8 | 0.7 | 0.7 | 30.7 | 29.6 | 24.2 | 18.2 | 11.4 |
| BALANCE OF PAYMENTS | | | | | | | | |
| Net Current Transfers | 12.0 | (0.9) | 17.4 | 31.9 | 51.8 | 73.5 | 53.7 | 52.9 |
| Merchandise Exports, fob | 197.1 | 193.4 | 183.9 | 198.7 | 241.6 | 368.2 | 388.3 | 324.0 |
| Exports of Goods & Services | 235.1 | 234.8 | 233.7 | 257.4 | 312.4 | 464.5 | 510.7 | 421.8 |

DEVELOPMENT INDICATORS FOR SWAZILAND
BASED UPON WORLD BANK DATA
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| NATIONAL INCOME | | | | |
| Current prices General Government Consumption | 142.6 | 0.0 | 0.0 | 0.0 |
| Current prices Private Consumption, etc. | 503.5 | 0.0 | 0.0 | 0.0 |
| Current prices Domestic Absorption | 797.8 | 890.0 | 0.0 | 0.0 |
| Current prices Exports of Goods & NF Services | 411.3 | 514.3 | 0.0 | 0.0 |
| Current prices GDP at Factor Cost | 500.1 | 558.7 | 0.0 | 0.0 |
| Current prices Gross Domestic Product | 616.7 | 693.0 | 839.3 | 0.0 |
| Current prices Gross Domestic Savings | (29.4) | (31.3) | 0.0 | 0.0 |
| Current prices Gross National Product | 647.0 | 737.0 | 892.7 | 1,022.0 |
| Current prices Gross National Savings | 65.6 | 122.1 | 0.0 | 0.0 |
| Current prices Imports of Goods & NF Services | 592.4 | 711.3 | 0.0 | 0.0 |
| Current prices Fixed Investment | 125.8 | 0.0 | 0.0 | 0.0 |
| Current prices Gross Domestic Investment | 151.7 | 165.7 | 0.0 | 0.0 |
| Current prices Net Factor Income (+) or Payments | 30.3 | 44.0 | 53.4 | 0.0 |
| Current prices Indirect Taxes Net of Subsidies | 116.6 | 134.3 | 0.0 | 0.0 |
| Current prices Resource Balance | (181.1) | (197.0) | 0.0 | 0.0 |
| Current prices Value Added in Agriculture | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Industry | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Manufacturing | 0.0 | 0.0 | 0.0 | 0.0 |
| Current prices Value Added in Services, etc. | 0.0 | 0.0 | 0.0 | 0.0 |
| GOVERNMENT | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (19.5) | (3.6) | (27.6) | (52.0) |
| Government Capital Payments | 68.4 | 70.1 | 99.5 | 85.2 |
| Government Capital Receipts | 0.0 | 0.0 | 0.1 | 0.1 |
| Government Current Budget Balance | 48.9 | 66.5 | 71.9 | 33.1 |
| Government Current Expenditure | 136.7 | 155.0 | 170.6 | 216.5 |
| Government Current Revenue | 185.6 | 221.5 | 242.4 | 249.6 |
| MONEY | | | | |
| Money Supply, Broadly Defined | 200.9 | 242.0 | 297.4 | 330.5 |
| Money as Means of Payment | 60.8 | 67.5 | 76.9 | 115.1 |
| Quasi-Monetary Liabilities | 140.1 | 174.2 | 220.5 | 215.4 |
| Currency Outside Banks | 15.2 | 16.5 | 17.5 | 25.2 |
| Demand Deposits | 45.6 | 51.0 | 59.5 | 89.9 |
| TRADE | | | | |
| Current prices Value of Exports | 305.0 | 255.9 | 166.9 | 0.0 |
| Current prices Value of Imports, cif | 547.6 | 442.5 | 323.5 | 0.0 |
| LOANS AND DEBT | | | | |
| Long-Term Interest Payments | 7.1 | 8.5 | 7.7 | 9.8 |
| Disbursements of Long-Term Loans | 28.6 | 16.4 | 10.4 | 25.3 |
| Net Long-Term Loans | 17.4 | 7.6 | (5.2) | 10.3 |
| Repayments on Long-Term Loans | 11.2 | 8.8 | 15.6 | 15.0 |
| Identified Short-Term Debt | 37.0 | 7.0 | 15.0 | 17.0 |
| Public/Publicly Guar. Long-Term Debt | 175.1 | 167.3 | 181.3 | 207.7 |
| Public Long Term Debt, IBRD & IDA | 50.6 | 53.0 | 51.5 | 52.7 |
| Public Long Term Debt, Official Creditors | 168.1 | 157.0 | 172.4 | 198.0 |
| Public Long Term Debt, Private Creditors | 7.0 | 10.3 | 8.9 | 9.7 |
| BALANCE OF PAYMENTS | | | | |
| Net Current Transfers | 76.1 | 76.1 | 52.9 | 43.8 |
| Merchandise Exports, fob | 304.2 | 230.8 | 173.3 | 264.8 |
| Exports of Goods & Services | 426.3 | 364.0 | 280.9 | 379.3 |

DEVELOPMENT INDICATORS FOR SWAZILAND
BASED UPON WORLD BANK DATA
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| Increase (-) in Reserves | US $, BoP | 2.1 | 1.6 | 0.3 | (0.6) | (10.0) |
| Other Net Long-Term Inflows | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 4.8 |
| Current Account Balance | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 42.9 |
| Net Foreign Direct Investment | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 3.5 |
| Net Long-Term Capital Inflow | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | 7.3 |
| Other Net Capital Inflows | US $, BoP | 0.0 | 0.0 | 0.0 | 0.0 | (40.2) |
| INDICIES | | | | | | |
| Domestic Absorption Deflator | 1980=100 | 27.6 | 31.3 | 32.1 | 36.0 | 42.1 |
| GDP Deflator | 1980=100 | 31.7 | 34.3 | 35.9 | 39.8 | 46.0 |
| Manufacturing Real Earnings per Employee | 1980=100 | 66.8 | 69.7 | 79.9 | 94.4 | 0.0 |
| Conversion Factor, Annual Average | Local currency per U.S. d | 0.7 | 0.7 | 0.8 | 0.7 | 0.7 |

DEVELOPMENT INDICATORS FOR SWAZILAND
BASED UPON WORLD BANK DATA
(Values in Millions)

| TITLE | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|
| Non-Factor Services Receipts | 24.8 | 25.6 | 29.2 | 32.3 | 43.3 | 51.7 | 54.4 | 47.5 |
| Factor Service Receipts | 13.2 | 15.6 | 20.7 | 25.4 | 27.5 | 46.3 | 66.0 | 54.3 |
| Factor Service Payments | 23.1 | 15.2 | 17.9 | 30.0 | 29.7 | 41.0 | 49.5 | 31.2 |
| Merchandise Imports, fob | 179.5 | 155.9 | 171.2 | 246.5 | 351.1 | 527.1 | 509.2 | 437.7 |
| Imports of Goods & Services | 202.9 | 213.7 | 236.0 | 341.2 | 466.5 | 656.4 | 663.7 | 572.6 |
| Non-Factor Services Payments | 40.3 | 42.6 | 46.9 | 64.6 | 84.8 | 90.3 | 107.1 | 103.7 |
| Increase (-) in Reserves | (39.3) | (27.7) | (21.5 | (12.2) | 6.7 | (27.3) | 40.5 | 5.4 |
| Other Net Long-Term Inflows | 4.4 | (2.1) | (1.1) | 0.3 | 0.2 | (2.9) | (1.1) | 3.6 |
| Current Account Balance | 44.1 | 20.3 | 11.4 | (52.0 | 1 3.5 | (131.2 | (93.3) | (97.9) |
| Net Foreign Direct Investment | 14.4 | 7.4 | 20.0 | 21.8 | 55.4 | 16.7 | 34.9 | (0.2) |
| Net Long-Term Capital Inflow | 20.0 | 15.4 | 27.9 | 69.1 | 93.2 | 37.9 | 47.2 | 23.4 |
| Other Net Capital Inflows | (24.8) | (7.8) | (17.9) | (4.0) | 2.6 | 119.7 | 11.6 | 69.1 |
| INDICIES | | | | | | | | |
| Domestic Absorption Deflator | 50.7 | 58.2 | 65.8 | 74.5 | 86.0 | 100.0 | 111.3 | 125.7 |
| GDP Deflator | 52.8 | 60.7 | 67.1 | 72.7 | 84.1 | 100.0 | 111.3 | 116.9 |
| Manufacturing Real Earnings per Employee | 0.0 | 79.1 | 102.9 | 105.1 | 89.4 | 100.0 | 91.6 | 92.3 |
| Conversion Factor, Annual Average | 0.7 | 0.9 | 0.9 | 0.9 | 0.8 | 0.8 | 0.9 | 1.1 |

DEVELOPMENT INDICATORS FOR SWAZILAND
BASED UPON WORLD BANK DATA
(Values in Millions)

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| Non-Factor Services Receipts | 55.5 | 51.5 | 40.3 | 46.1 |
| Factor Service Receipts | 66.6 | 70.6 | 67.2 | 68.4 |
| Factor Service Payments | 43.2 | 36.3 | 32.7 | 53.9 |
| Merchandise Imports, fob | 463.6 | 369.9 | 276.4 | 298.5 |
| Imports of Goods & Services | 591.6 | 492.4 | 365.0 | 417.7 |
| Non-Factor Services Payments | 84.8 | 86.2 | 55.9 | 65.3 |
| Increase (-) in Reserves | (17.1) | (23.0) | (18.4) | (5.4) |
| Other Net Long-Term Inflows | 13.5 | 1.0 | 14.9 | 8.9 |
| Current Account Balance | (89.2) | (52.3) | (31.2) | 5.5 |
| Net Foreign Direct Investment | (14.7) | 1.9 | 23.5 | 18.8 |
| Net Long-Term Capital Inflow | 16.6 | 10.6 | 33.1 | 38.0 |
| Other Net Capital Inflows | 89.7 | 64.7 | 16.5 | (38.1) |
| INDICIES | | | | |
| Domestic Absorption Deflator | 163.9 | 186.0 | 0.0 | 0.0 |
| GDP Deflator | 123.1 | 137.9 | 165.3 | 0.0 |
| Manufacturing Real Earnings per Employee | 0.0 | 0.0 | 0.0 | 0.0 |
| Conversion Factor, Annual Average | 1.1 | 1.4 | 2.2 | 2.3 |

SOCIAL INDICATORS FOR SWAZILAND
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|---|---|---|
| LAND | | | | | | | | |
| Total land area | SQ KILOM. | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Total agricultural land | SQ KILOM. | 15 | 15 | 15 | 15 | 15 | 13 | 14 |
| Arable land | SQ KILOM. | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Pasture land | SQ KILOM. | 13 | 13 | 13 | 13 | 13 | 11 | 12 |
| POPULATION | | | | | | | | |
| Total population, (interp series) | NUMBER | 420,000 | 431,000 | 442,000 | 455,[illegible] | 468,000 | 482,000 | 497,000 |
| Population, female | NUMBER | 226,621 | 232,365 | 250,098 | 257,399 | 264,740 | 271,949 | 281,541 |
| Population, male | NUMBER | 227,979 | 234,635 | 241,492 | 248,[illegible] | 255,761 | 262,551 | 270,259 |
| Population, age 0-14 | NUMBER | 208,412 | 214,832 | 221,452 | 228,226 | 235,252 | 242,487 | 253,554 |
| Population, age 15-64 | NUMBER | 242,714 | 249,250 | 255,971 | 262,822 | 269,909 | 277,171 | 284,764 |
| Population, age 65+ | NUMBER | 13,474 | 13,919 | 14,376 | 14,849 | 15,339 | 15,842 | 15,482 |
| Urban population total | NUMBER | 34,845 | 36,406 | 38,038 | 39,736 | 41,517 | 43,376 | 50,258 |
| Urban population as % total | PERCENT | 8 | 8 | 8 | 8 | 8 | 8 | 9 |
| Agriculture population density | NUMBER | 31,125 | 31,995 | 32,816 | 33,444 | 35,155 | 40,823 | 43,409 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | | |
| Crude birth rate, (interp series) | NUMBER | 50 | 51 | 51 | 51 | 51 | 51 | 51 |
| Crude death rate (interp series) | NUMBER | 20 | 20 | 21 | 19 | 19 | 18 | 19 |
| Infant mort rate, age 0-1 (interp series) | NUMBER | 145 | 145 | 144 | 143 | 142 | 142 | 141 |
| Child mort rate, age 1-4 (interp series) | NUMBER | 31 | 31 | 31 | 31 | 31 | 30 | 30 |
| Life expectancy, total | NUMBER | 47 | 47 | 47 | 48 | 48 | 49 | 49 |
| Life expectancy, males (interp series) | NUMBER | 45 | 45 | 45 | 46 | 46 | 47 | 47 |
| Life expectancy, female | NUMBER | 49 | 50 | 50 | 50 | 51 | 51 | 52 |
| Total fertility rate (interp series) | NUMBER | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Contraceptive acceptors | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Persons per household | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| Persons per household, rural | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, urban | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | | |
| Number of physicians | NUMBER | 50 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 0 | 0 | 255 | 0 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Number of hospital beds | NUMBER | 1,414 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,257 | 2,246 | 2,267 | 2,264 | 2,288 | 2,474 | 2,507 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 64 | 63 | 65 | 64 | 65 | 66 | 67 |
| % Dwellings w electricity | PERCENT | 9 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | PERCENT | 0 | 0 | 0 | 0 | 0 | 37 | 0 |
| Safe water, rural | PERCENT | 0 | 0 | 0 | 0 | 0 | 29 | 0 |
| Safe water, urban | PERCENT | 0 | 0 | 0 | 0 | 0 | 83 | 0 |
| EDUCATION | | | | | | | | |
| Gross enrollment ratio | PERCENT | 87 | 0 | 0 | 0 | 0 | 99 | 99 |
| Gross enrollment ratio, male | PERCENT | 91 | 0 | 0 | 0 | 0 | 106 | 101 |
| Gross enrollment ratio, female | PERCENT | 83 | 0 | 0 | 0 | 0 | 97 | 97 |
| % Pups reaching grade 6 | PERCENT | 0 | 0 | 0 | 0 | 0 | 69 | 0 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 | 45 |
| EMPLOYMENT | | | | | | | | |
| Labor force size | NUMBER | 199,000 | 203,000 | 207,000 | 211,000 | 215,000 | 219,000 | 224,000 |
| Labor participation rate | PERCENT | 47 | 0 | 0 | 0 | 0 | 45 | 0 |
| Male labor participation rate | PERCENT | 55 | 0 | 0 | 0 | 0 | 54 | 0 |
| Female labor participation rate | PERCENT | 39 | 0 | 0 | 0 | 0 | 37 | 0 |
| Female labor force as % total labor force | PERCENT | 42 | 42 | 42 | 42 | 42 | 42 | 42 |
| Labor in agriculture as % total | PERCENT | 81 | 80 | 79 | 79 | 78 | 77 | 77 |
| Labor in industry | PERCENT | 7 | 7 | 7 | 7 | 8 | 8 | 8 |
| Labor in services | PERCENT | 13 | 13 | 14 | 14 | 15 | 15 | 15 |

SOCIAL INDICATORS FOR SWAZILAND
Based upon World Bank Data

| TITLE | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|
| LAND | | | | | | | | |
| Total land area | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Total agricultural land | 14 | 14 | 13 | 13 | 13 | 13 | 13 | 13 |
| Arable land | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Pasture land | 12 | 12 | 12 | 11 | 11 | 12 | 12 | 12 |
| POPULATION | | | | | | | | |
| Total population, (interp series) | 512,000 | 529,000 | 546,000 | 564,000 | 583,000 | 602,000 | 623,000 | 644,000 |
| Population, female | 291,107 | 300,974 | 311,194 | 323,156 | 334,995 | 347,241 | 359,947 | 373,010 |
| Population, male | 281,594 | 291,226 | 301,206 | 310,144 | 321,596 | 333,259 | 345,453 | 357,990 |
| Population, age 0-14 | 265,045 | 276,957 | 289,340 | 302,183 | 314,918 | 328,188 | 342,019 | 356,331 |
| Population, age 15-64 | 232,526 | 300,458 | 308,606 | 316,979 | 326,787 | 336,852 | 347,215 | 357,771 |
| Population, age 65+ | 15,130 | 14,785 | 14,451 | 14,138 | 14,795 | 15,460 | 16,166 | 16,898 |
| Urban population total | 56,231 | 67,467 | 78,163 | 90,562 | 96,132 | 102,038 | 108,309 | 114,923 |
| Urban population as % total | 11 | 12 | 13 | 14 | 16 | 17 | 18 | 19 |
| Agriculture population density | 41,134 | 42,466 | 45,672 | 47,032 | 51,090 | 52,877 | 54,736 | 56,414 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | | |
| Crude birth rate, (interp series) | 51 | 51 | 51 | 51 | 51 | 51 | 50 | 50 |
| Crude death rate (interp series) | 17 | 17 | 16 | 16 | 15 | 15 | 0 | 0 |
| Infant mort rate, age 0-1 (interp series) | 140 | 138 | 136 | 134 | 131 | 129 | 127 | 125 |
| Child mort rate, age 1-4 (interp series) | 30 | 30 | 29 | 0 | 0 | 27 | 0 | 0 |
| Life expectancy, total | 50 | 50 | 51 | 51 | 52 | 53 | 53 | 54 |
| Life expectancy, males (interp series) | 48 | 48 | 49 | 50 | 51 | 52 | 0 | 0 |
| Life expectancy, female | 52 | 53 | 53 | 54 | 54 | 55 | 0 | 0 |
| Total fertility rate (interp series) | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Contraceptive acceptors | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 0 |
| Persons per household | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, rural | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household, urban | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | | |
| Number of physicians | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per physician | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Number of hospital beds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pop per hospital bed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,423 | 2,494 | 2,480 | 2,476 | 2,536 | 2,542 | 2,554 | 2,575 |
| Daily calorie requirement | 2,320 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 62 | 64 | 65 | 64 | 64 | 59 | 62 | 61 |
| % Dwellings w/electricity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Safe water access as % of population | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| Safe water, rural | 0 | 0 | 0 | 30 | 0 | 0 | 0 | 0 |
| Safe water, urban | 0 | 0 | 0 | 80 | 0 | 0 | 0 | 0 |
| EDUCATION | | | | | | | | |
| Gross enrollment ratio | 100 | 101 | 103 | 106 | 110 | 111 | 111 | 111 |
| Gross enrollment ratio, male | 102 | 102 | 103 | 107 | 111 | 111 | 111 | 112 |
| Gross enrollment ratio, female | 99 | 101 | 103 | 105 | 108 | 110 | 110 | 110 |
| % Pups reaching grade 6 | 0 | 0 | 0 | 67 | 0 | 66 | 67 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | | |
| Labor force size | 229,400 | 234,600 | 239,800 | 245,000 | 250,600 | 256,200 | 261,800 | 267,400 |
| Labor participation rate | 0 | 0 | 0 | 44 | 0 | 0 | 0 | 0 |

SOCIAL INDICATORS FOR SWAZILAND
Based Upon World Bank Data

| TITLE | 1965 | 1980 |
|---|---|---|
| LAND | | |
| Total land area | 17 | 0 |
| Total agricultural land | 0 | 0 |
| Arable land | 0 | 0 |
| Pasture land | 0 | 0 |
| POPULATION | | |
| Total population, (interp series) | 665,000 | 689,000 |
| Population, female | 385,170 | 0 |
| Population, male | 372,870 | 0 |
| Population, age 0-14 | 271,512 | 0 |
| Population, age 15-64 | 368,826 | 0 |
| Population, age 65+ | 17,661 | 0 |
| Urban population total | 122,036 | 0 |
| Urban population as % total | 0 | 0 |
| Agriculture population density | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | |
| Crude birth rate, (interp series) | 49 | 0 |
| Crude death rate (interp series) | 14 | 0 |
| Infant mort rate, age 0-1 (interp series) | 0 | 0 |
| Child mort rate, age 1-4 (interp series) | 0 | 0 |
| Life expectancy, total | 54 | 0 |
| Life expectancy, males (interp series) | 52 | 0 |
| Life expectancy, female | 56 | 0 |
| Total fertility rate (interp series) | 7 | 0 |
| Contraceptive acceptors | 0 | 0 |
| Persons per household | 0 | 0 |
| Persons per household, rural | 0 | 0 |
| Persons per household, urban | 0 | |
| HEALTH AND NUTRITION | | |
| Number of physicians | 0 | 0 |
| Population per physician | 0 | 0 |
| Number of nurses | 0 | 0 |
| Population per nurse | 0 | 0 |
| Number of hospital beds | 0 | 0 |
| Pop per hospital bed | 0 | 0 |
| Daily calorie intake | 2,55c | 0 |
| Daily calorie requirement | 0 | 0 |
| Daily protein supply (gms) | 61 | 0 |
| % Dwellings w/electricity | 0 | 0 |
| Safe water access as % of population | 0 | 0 |
| Safe water, rural | 0 | 0 |
| Safe water, urban | 0 | 0 |
| EDUCATION | | |
| Gross enrollment ratio | 0 | |
| Gross enrollment ratio, male | 0 | 0 |
| Gross enrollment ratio, female | 0 | 0 |
| % Pupils reaching grade 6 | 0 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 |
| EMPLOYMENT | | |
| Labor force size | 273,000 | 279,600 |
| Labor participation rate | 42 | 0 |

SOCIAL INDICATORS FOR SWAZILAND
Based Upon World Bank Data

| TITLE | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|
| Male labor participation rate | 0 | 0 | 0 | 53 | 0 | 0 | 0 | 0 |
| Female labor participation rate | 0 | 0 | 0 | 26 | 0 | 0 | 0 | 0 |
| Female labor force as % total labor force | 41 | 41 | 41 | 41 | 41 | 41 | 40 | 40 |
| Labor in agriculture as % total | 76 | 75 | 75 | 74 | 0 | 0 | 0 | 0 |
| Labor in industry | 8 | 8 | 9 | 9 | 0 | 0 | 0 | 0 |
| Labor in services | 16 | 16 | 17 | 17 | 0 | 0 | 0 | 0 |

SOCIAL INDICATORS FOR SWAZILAND
Based Upon World Bank Data

| TITLE | 1985 | 1986 |
|---|---|---|
| Male labor participation rate | 51 | 0 |
| Female labor participation rate | 33 | 0 |
| Female labor force as % total labor force | 40 | 40 |
| Labor in agriculture as % total | 0 | 0 |
| Labor in industry | 0 | 0 |
| Labor in services | 0 | 0 |

DEVELOPMENT INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 |
|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | |
| Current prices General Government Consumption | Local currency | 1,564.0 | 1,880.0 | 1,997.0 | 2,291.0 |
| Current prices Private Consumption, etc. | Local currency | 8,068.0 | 8,599.0 | 9,550.0 | 11,582.0 |
| Current prices Domestic Absorption | Local currency | 13,316.0 | 14,831.0 | 15,657.0 | 19,274.0 |
| Current prices Exports of Goods & NF Services | Local currency | 2,757.0 | 3,019.0 | 3,981.0 | 5,015.0 |
| Current prices GDP at Factor Cost | Local currency | 12,023.0 | 13,251.0 | 15,[illegible] | 18,675.0 |
| Current prices Gross Domestic Product | Local currency | 12,908.0 | 14,241.0 | 16,104.0 | 19,918.0 |
| Current prices Gross Domestic Savings | Local currency | 3,276.0 | 3,762.0 | 4,557.0 | 6,045.0 |
| Current prices Gross National Product | Local currency | 12,399.0 | 13,733.0 | 15,520.0 | 19,208.0 |
| Current prices Gross National Savings | Local currency | 2,816.3 | 3,294.2 | 4,020.6 | 5,349.1 |
| Current prices Imports of Goods & NF Services | Local currency | 3,165.0 | 3,609.0 | 3,534.0 | 4,371.0 |
| Current prices Fixed Investment | Local currency | 3,194.0 | 3,741.0 | 4,322.0 | 5,027.0 |
| Current prices Gross Domestic Investment | Local currency | 3,684.0 | 4,352.0 | 4,110.0 | 5,401.0 |
| Current prices Net Factor Income (+) or Payments | Local currency | (509.0) | (538.0) | (584.0) | (716.0) |
| Current prices Indirect Taxes Net of Subsidies | Local currency | 885.0 | 990.0 | 1,068.0 | 1,243.0 |
| Current prices Resource Balance | Local currency | (408.0) | (590.0) | 447.0 | 644.0 |
| Current prices Value Added in Agriculture | Local currency | 975.0 | 1,165.0 | 1,322.0 | 1,531.0 |
| Current prices Value Added in Industry | Local currency | 4,817.0 | 5,087.0 | 5,950.0 | 7,802.0 |
| Current prices Value Added in Manufacturing | Local currency | 2,796.0 | 2,987.0 | 3,268.0 | 4,092.0 |
| Current prices Value Added in Services, etc. | Local currency | 6,233.0 | 6,990.0 | 7,766.0 | 9,342.0 |
| GOVERNMENT | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | Local currency | 0.0 | 0.0 | (652.0) | (498.0) |
| Government Capital Payments | Local currency | 0.0 | 0.0 | 1,138.0 | 1,305.0 |
| Government Capital Receipts | Local currency | 0.0 | 0.0 | 30.0 | 27.0 |
| Government Current Budget Balance | Local currency | 0.0 | 0.0 | 454.0 | 779.0 |
| Government Current Expenditure | Local currency | 0.0 | 0.0 | 2,841.0 | 3,405.0 |
| Government Current Revenue | Local currency | 0.0 | 0.0 | 3,295.0 | 4,185.0 |
| MONEY | | | | | |
| Money Supply, Broadly Defined | Local currency | 7,801.6 | 8,456.5 | 9,974.5 | 11,[illegible]6.5 |
| Money as Means of Payment | Local currency | 2,256.9 | 2,445.3 | 2,807.9 | 3,381.9 |
| Quasi-Monetary Liabilities | Local currency | 5,542.7 | 6,012.7 | 7,[illegible]6.6 | 8,794.6 |
| Currency Outside Banks | Local currency | 512.5 | 570.3 | 626.7 | 746.9 |
| Demand Deposits | Local currency | 1,744.5 | 1,875.8 | 2,181.2 | 2,635.1 |
| TRADE | | | | | |
| Current prices Exports of Manufactures | US $ | 1,374.7 | 1,44[illegible].1 | 1,527.7 | 2,725.6 |
| Current prices Exports of Nonfuel Primary Products | US $ | 1,806.9 | 1,881.2 | 2,509.7 | 3,349.1 |
| Current prices Value of Exports | US $ | 3,355.0 | 3,516.0 | 4,196.0 | 6,114.0 |
| Current prices Imports of Fuels | US $ | 190.9 | 285.2 | 270.9 | 10.4 |
| Current prices Imports of Manufactures | US $ | 3,195.2 | 3,[illegible]25.5 | 3,254.6 | 4,492.7 |
| Current prices Imports of Nonfuel Primary Products | US $ | 457.0 | 452.9 | 422.1 | 660.3 |
| Current prices Value of Imports, cif | US $ | 3,843.1 | 4,3[illegible]3.7 | 3,947.6 | 5,163.5 |
| LOANS AND DEBT | | | | | |
| Long-Term Interest Payments | US $, as per IBRD DRS | 0.0 | 0.0 | 0.0 | 0.0 |
| Disbursements of Long-Term Loans | US $, as per IBRD DRS | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Long-Term Loans | US $, as per IBRD DRS | 0.0 | 0.0 | 0.0 | 0.0 |
| Repayments on Long-Term Loans | US $, as per IBRD DRS | 0.0 | 0.0 | 0.0 | 0.0 |
| Public/Publicly Guar. Long-Term Debt | US $, IBRD DRS - end of y | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Long Term Debt, Private Creditors | US $, IBRD DRS - end of y | 0.0 | 0.0 | 0.0 | 0.0 |
| BALANCE OF PAYMENTS | | | | | |
| Net Current Transfers | US $, BoP | 69.0 | 56.2 | 61.9 | 20.3 |
| Merchandise Exports, fob | US $, BoP | 3,296.0 | 3,457.0 | 4,138.0 | 6,187.2 |
| Exports of Goods & Services | US $, BoP | 4,019.0 | 4,402.1 | 5,278.6 | 7,577.2 |
| Non-Factor Services Receipts | US $, BoP | 457.0 | 526.6 | 557.0 | 717.7 |
| Factor Service Receipts | US $, BoP | 356.0 | 418.2 | 435.4 | 672.4 |
| Factor Service Payments | US $, BoP | 892.0 | 907.7 | 968.5 | 1,[illegible]94.8 |
| Merchandise Imports, fob | US $, BoP | 3,615.0 | 4,[illegible]89.1 | 3,697.9 | 5,129.7 |

DEVELOPMENT INDICATORS FOR SOUTH AFRICA
Based upon World Bank Data
(Values in Millions)

| TITLE | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | 2,986.0 | 3,782.0 | 4,537.0 | 5,155.0 | 5,673.0 | 6,543.0 |
| Current prices Private Consumption, etc. | 14,452.0 | 15,510.0 | 17,562.0 | 17,891.0 | 20,593.0 | 22,735.0 |
| Current prices Domestic Absorption | 24,651.0 | 28,185.0 | 31,133.0 | 32,310.0 | 36,205.0 | 41,552.0 |
| Current prices Exports of Goods & NF Services | 6,656.0 | 7,338.0 | 9,437.0 | 10,474.0 | 12,959.0 | 16,724.0 |
| Current prices GDP at Factor Cost | 23,083.0 | 25,846.0 | 28,920.0 | 31,983.0 | 36,516.0 | 43,221.0 |
| Current prices Gross Domestic Product | 24,472.0 | 27,454.0 | 30,800.0 | 34,314.0 | 39,297.0 | 46,698.0 |
| Current prices Gross Domestic Savings | 7,134.0 | 8,162.0 | 8,701.0 | 11,268.0 | 13,631.0 | 17,420.0 |
| Current prices Gross National Product | 23,569.0 | 26,274.0 | 29,386.0 | 32,683.0 | 37,438.0 | 44,569.0 |
| Current prices Gross National Savings | 6,214.4 | 7,090.1 | 7,402.8 | 9,637.0 | 11,241.6 | 15,386.2 |
| Current prices Imports of Goods & NF Services | 6,835.0 | 8,119.0 | 8,900.0 | 8,470.0 | 9,867.0 | 11,878.0 |
| Current prices Fixed Investment | 6,158.0 | 8,110.0 | 9,221.0 | 9,571.0 | 10,342.0 | 12,251.0 |
| Current prices Gross Domestic Investment | 7,313.0 | 8,853.0 | 9,024.0 | 9,264.0 | 9,939.0 | 12,574.0 |
| Current prices Net Factor Income (+) or Payments | (903.0) | (1,220.0) | (1,414.0) | (1,631.0) | (1,859.0) | (2,129.0) |
| Current prices Indirect Taxes Net of Subsidies | 1,389.0 | 1,608.0 | 1,886.0 | 2,331.0 | 2,779.0 | 3,477.0 |
| Current prices Resource Balance | (179.0) | (731.0) | (325.0) | 2,004.0 | 3,092.0 | 4,846.0 |
| Current prices Value Added in Agriculture | 2,214.0 | 2,129.0 | 2,275.0 | 2,532.0 | 2,722.0 | 2,835.0 |
| Current prices Value Added in Industry | 9,735.0 | 11,145.0 | 12,515.0 | 13,693.0 | 15,424.0 | 20,698.0 |
| Current prices Value Added in Manufacturing | 4,896.0 | 5,991.0 | 6,834.0 | 6,763.0 | 7,886.0 | 9,579.0 |
| Current prices Value Added in Services, etc. | 11,174.0 | 12,572.0 | 14,130.0 | 15,758.0 | 17,372.0 | 19,638.0 |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | (1,155.0) | (1,438.0) | (2,023.0) | (2,067.0) | (2,095.0) | (1,947.0) |
| Government Capital Payments | 1,860.0 | 2,117.0 | 2,333.0 | 2,618.0 | 3,077.0 | 3,042.0 |
| Government Capital Receipts | 30.0 | 37.0 | 21.0 | 27.0 | 45.0 | 36.0 |
| Government Current Budget Balance | 695.0 | 642.0 | 289.0 | 524.0 | 927.0 | 1,057.0 |
| Government Current Expenditure | 4,419.0 | 5,346.0 | 6,760.0 | 7,075.0 | 8,019.0 | 9,707.0 |
| Government Current Revenue | 5,114.0 | 5,988.0 | 6,669.0 | 7,599.0 | 8,956.0 | 10,764.0 |
| MONEY | | | | | | |
| Money Supply, Broadly Defined | 14,214.0 | 16,967.5 | 18,470.9 | 20,340.5 | 23,597.3 | 27,560.5 |
| Money as Means of Payment | 4,011.1 | 4,285.5 | 4,476.9 | 4,647.6 | 5,132.8 | 6,197.5 |
| Quasi-Monetary Liabilities | 10,203.0 | 12,682.0 | 14,034.0 | 15,692.9 | 18,464.5 | 21,363.0 |
| Currency Outside Banks | 880.4 | 1,025.6 | 1,106.0 | 1,149.2 | 1,284.8 | 1,460.2 |
| Demand Deposits | 3,130.7 | 3,259.9 | 3,330.9 | 3,498.4 | 3,848.0 | 4,737.3 |
| TRADE | | | | | | |
| Current prices Exports of Manufactures | 4,179.1 | 4,299.2 | 5,760.7 | 5,132.2 | 7,329.3 | 11,129.0 |
| Current prices Exports of Nonfuel Primary Products | 4,500.4 | 4,546.3 | 4,004.4 | 4,392.2 | 4,908.0 | 6,170.1 |
| Current prices Value of Exports | 8,760.0 | 8,959.0 | 7,975.0 | 9,987.0 | 12,875.0 | 18,397.0 |
| Current prices Imports of Fuels | 21.5 | 19.8 | 28.9 | 33.5 | 35.1 | 51.9 |
| Current prices Imports of Manufactures | 6,824.5 | 7,383.1 | 6,421.2 | 5,419.5 | 6,780.5 | 7,921.1 |
| Current prices Imports of Nonfuel Primary Products | 1,039.5 | 890.2 | 834.7 | 817.3 | 799.1 | 1,015.7 |
| Current prices Value of Imports, cif | 7,885.4 | 8,293.1 | 7,284.8 | 6,270.3 | 7,614.8 | 8,988.7 |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Disbursements of Long-Term Loans | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Long-Term Loans | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Repayments on Long-Term Loans | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public/Publicly Guar. Long-Term Debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Long Term Debt, Private Creditors | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | 122.7 | 189.4 | 134.3 | 52.9 | 80.0 | 185.4 |

DEVELOPMENT INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 198 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|
| NATIONAL INCOME | | | | | | |
| Current prices General Government Consumption | 8,449.0 | 10,276.0 | 12,990.0 | 14,809.0 | 18,787.0 | 21,695.0 |
| Current prices Private Consumption, etc. | 29,458.0 | 37,715.0 | 45,921.0 | 48,[illegible] | 56,509.0 | [illegible] |
| Current prices Domestic Absorption | 56,747.0 | 72,126.0 | 79,[illegible]6.1 | 86,152.[illegible] | 100,484.1 | 108,045.1 |
| Current prices Exports of Goods & NF Services | 22,219.0 | 21,584.0 | 21,800.0 | 22,1[illegible]2.0 | 28,261.0 | 4[illegible] |
| Current prices GDP at Factor Cost | 57,963.0 | 68,902.0 | 72,993.1 | 87,[illegible]9.1 | 97,428.1 | 110,154.1 |
| Current prices Gross Domestic Product | [illegible] | [illegible] | 89,[illegible]6.1 | 89,675.1 | 105,814.1 | 120,141.1 |
| Current prices Gross Domestic Savings | 24,100.0 | 22,999.0 | 20,766.0 | 26,9[illegible].0 | 28,518.0 | [illegible] |
| Current prices Gross National Product | [illegible] | [illegible] | 75,[illegible].1 | [illegible] | 100,92[illegible].1 | [illegible] |
| Current prices Gross National Savings | 21,551.2 | 19,854.0 | 17,[illegible].7 | 22,9[illegible].9 | 23,773.0 | 30,852.1 |
| Current prices Imports of Goods & NF Services | 1[illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Current prices Fixed Investment | 16,[illegible]78.0 | 20,332.0 | 22,[illegible]92.0 | 24,509.0 | 26,131.0 | 26,[illegible] |
| Current prices Gross Domestic Investment | 18,[illegible] | [illegible] | 20,[illegible] | [illegible] | 2[illegible] | [illegible] |
| Current prices Net Factor Income (+) or Payments (- | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Current prices Indirect Taxes Net of Subsidies | 4,044.0 | 5,081.0 | [illegible] | [illegible] | 8,385.0 | 9,987.0 |
| Current prices Resource Balance | 5,260.0 | [illegible],043.0) | 20.0 | 3,723.0 | 2,330.0 | 12,09[illegible].0 |
| Current prices Value Added in Agriculture | 4,905.0 | 4,787.0 | 4,581.0 | 4,0[illegible] | 5,265.0 | 5,9[illegible] |
| Current prices Value Added in Industry | 29,329.0 | 30,790.0 | 32,849.0 | 38,16[illegible] | 43,369.0 | 50,4[illegible] |
| Current prices Value Added in Manufacturing | 12,606.0 | [illegible] | [illegible] | [illegible] | [illegible] | 24,311.0 |
| Current prices Value Added in Services, etc. | 24,589.0 | [illegible] | [illegible] | [illegible] | 46,794.[illegible] | [illegible] |
| GOVERNMENT | | | | | | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Government Capital Payments | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Government Capital Receipts | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Government Current Budget Balance | 2,689.0 | 1,390.0 | [illegible] | [illegible] | [illegible] | [illegible] |
| Government Current Expenditure | [illegible] | [illegible] | [illegible] | [illegible] | 27,[illegible] | [illegible] |
| Government Current Revenue | 14,398.0 | 16,[illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| MONEY | | | | | | |
| Money Supply, Broad, Derived | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Money as Means of Payment | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Quasi-Monetary Liabilities | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Currency Outside Banks | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Demand Deposits | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| TRADE | | | | | | |
| Current prices Exports of Manufactures | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 12,595.1 |
| Current prices Exports of Nonfuel Primary Products | 4,663.1 | 4,243.6 | 3,543.5 | 3,697.2 | 3,912.4 | 3,025.1 |
| Current prices Value of Exports | 25,[illegible]80.0 | 20,895.0 | 17,727.0 | 18,607.[illegible] | 17,348.0 | 16,522.7 |
| Current prices Imports of Fuels | 7[illegible].2 | [illegible] | [illegible] | [illegible] | [illegible] | 58.3 |
| Current prices Imports of Manufactures | [illegible] | [illegible] | [illegible] | 14,498.1 | 14,905.8 | [illegible] |
| Current prices Imports of Nonfuel Primary Products | [illegible] | [illegible] | [illegible] | [illegible] | 1,260.1 | 784.8 |
| Current prices Value of Imports, cif | 19,245.7 | 22,619.[illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| LOANS AND DEBT | | | | | | |
| Long-Term Interest Payments | [illegible] | [illegible] | 940.8 | [illegible] | 1,160.0 | 1,500.0 |
| Disbursements of Long-Term Loans | 1,915.7 | [illegible] | [illegible] | [illegible] | 2,200.0 | 2,200.0 |
| Net Long-Term Loans | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 200.0 |
| Repayments on Long-Term Loans | 2,404.5 | 1,451.[illegible] | [illegible] | [illegible] | 2,400.[illegible] | [illegible] |
| Public+Publicly Guar. Long-Term Debt | [illegible] | [illegible] | 7,841.5 | [illegible] | 7,500.0 | 6,100.0 |
| Public Long Term Debt, Private Creditors | 7,238.4 | 6,583.[illegible] | 7,841.5 | [illegible] | 7,500.[illegible] | [illegible] |
| BALANCE OF PAYMENTS | | | | | | |
| Net Current Transfers | 239.0 | [illegible] 219.1 | 251.2 | 195.[illegible] | 99.4 | [illegible] |

DEVELOPMENT INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1986 |
|---|---|
| NATIONAL INCOME | |
| Current prices General Government Consumption | 26,006.0 |
| Current prices Private Consumption, etc. | 71,890.1 |
| Current prices Domestic Absorption | 125,062.1 |
| Current prices Exports of Goods & NF Services | 46,479.0 |
| Current prices GDP at Factor Cost | 127,902.1 |
| Current prices Gross Domestic Product | 139,695.1 |
| Current prices Gross Domestic Savings | 41,797.0 |
| Current prices Gross National Product | 131,873.0 |
| Current prices Gross National Savings | 34,172.8 |
| Current prices Imports of Goods & NF Services | 31,956.0 |
| Current prices Fixed Investment | 28,998.0 |
| Current prices Gross Domestic Investment | 27,164.0 |
| Current prices Net Factor Income (+) or Payments | (7,822.0) |
| Current prices Indirect Taxes Net of Subsidies | 11,793.0 |
| Current prices Resource Balance | 14,523.0 |
| Current prices Value Added in Agriculture | 7,277.0 |
| Current prices Value Added in Industry | 58,435.0 |
| Current prices Value Added in Manufacturing | 27,840.0 |
| Current prices Value Added in Services, etc. | 62,190.0 |
| GOVERNMENT | |
| GOVERNMENT DEFICIT (-) OR SURPLUS | 0.0 |
| Government Capital Payments | 0.0 |
| Government Capital Receipts | 0.0 |
| Government Current Budget Balance | 0.0 |
| Government Current Expenditure | 0.0 |
| Government Current Revenue | 0.0 |
| MONEY | |
| Money Supply, Broadly Defined | 78,485.0 |
| Money as Means of Payment | 22,206.8 |
| Quasi-Monetary Liabilities | 57,258.8 |
| Currency Outside Banks | 4,191.0 |
| Demand Deposits | 18,015.8 |
| TRADE | |
| Current prices Exports of Manufactures | 14,926.9 |
| Current prices Exports of Nonfuel Primary Products | 2,956.5 |
| Current prices Value of Exports | 18,453.8 |
| Current prices Imports of Fuels | 33.0 |
| Current prices Imports of Manufactures | 12,142.7 |
| Current prices Imports of Nonfuel Primary Products | 813.3 |
| Current prices Value of Imports, cif | 12,988.7 |
| LOANS AND DEBT | |
| Long-Term Interest Payments | 0.0 |
| Disbursements of Long-Term Loans | 0.0 |
| Net Long-Term Loans | 0.0 |
| Repayments on Long-Term Loans | 0.0 |
| Public/Publicly Guar. Long-Term Debt | 0.0 |
| Public Long Term Debt, Private Creditors | 0.0 |
| BALANCE OF PAYMENTS | |
| Net Current Transfers | 87.2 |

DEVELOPMENT INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data
(Values in Millions)

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 |
|---|---|---|---|---|---|
| Imports of Goods & Services | US $, BoP | 5,303.0 | 5,[illegible] | 5,[illegible] | [illegible] |
| Non-Factor Services Payments | US $, BoP | 796.0 | 941.8 | 895.7 | 1,155.4 |
| Increase (-) in Reserves | US $, BoP | 423.2 | 385.2 | (528.6) | 204.3 |
| Other Net Long-Term Inflows | US $, BoP | 376.0 | 512.5 | 615.6 | 237.2 |
| Current Account Balance | US $, BoP | (1,215.0) | (1,429.4) | (121.6) | (83.4) |
| Net Foreign Direct Investment | US $, BoP | 318.0 | 230.7 | 97.7 | (22.7) |
| Net Long-Term Capital Inflow | US $, BoP | 694.2 | 743.2 | 713.3 | 214.6 |
| Other Net Capital Inflows | US $, BoP | 97.8 | 351.6 | 163.1 | (330.1) |
| INDICIES | | | | | |
| Terms of Trade Index | US dollar-based | 121.6 | 120.8 | 125.3 | 122.6 |
| Constant price Exports, fob | 1980 US $ | 10,751.1 | 10,696.5 | 11,594.5 | 10,637.0 |
| Constant price Imports, cif | 1980 US $ | 14,960.2 | 16,363.0 | 13,655.2 | 10,967.5 |
| Domestic Absorption Deflator | 1980=100 | 30.8 | 31.9 | 35.5 | 40.7 |
| GDP Deflator | 1980=100 | 28.9 | 30.2 | 33.6 | 41.4 |
| Agricultural Value Added Deflator | 1980=100 | 25.4 | 25.8 | 44.3 | 54.7 |
| Industrial Value Added Deflator | 1980=100 | 20.2 | 21.8 | 24.4 | 31.1 |
| Manufacturing Real Output per Employee | 1980=100 | 55.2 | 56.9 | 61.2 | 69.0 |
| Manufacturing Real Earnings per Employee | 1980=100 | 74.2 | [illegible] | 79.2 | 83.5 |
| Fuel Export Price Index | 1980=100, US dollar-based | 4.1 | 5.1 | 6.2 | 8.9 |
| Manufactures Export Price Index | 1980=100, US dollar-based | 66.2 | 55.6 | 46.6 | 55.6 |
| Non-fuel Primary Products Export Price Inde. | 1980=100, US dollar-based | 29.2 | 29.1 | 43.6 | 63.1 |
| Export Price Index, fob | 1980=100, US dollar-based | 31.2 | 32.2 | 36.2 | 57.5 |
| Import Price Index, cif | 1980=100, US dollar-based | 25.7 | 26.7 | 28.9 | 47.1 |
| Conversion Factor, Annual Average | Local currency per U.S. $ | 0.7 | 0.7 | 0.8 | 0.7 |

DEVELOPMENT INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 |
|---|---|---|---|---|---|---|
| Merchandise Exports, fob | 8,424.1 | 9,475.9 | 8,295.6 | 11,442.9 | 12,933.7 | 17,679.2 |
| Exports of Goods & Services | 10,073.3 | 10,747.4 | 10,029.7 | 12,287.9 | 15,268.9 | 20,453.0 |
| Non-Factor Services Receipts | 921.2 | 1,112.2 | 966.2 | 1,120.8 | 1,327.2 | 1,699.2 |
| Factor Service Receipts | 718.0 | 795.2 | 764.9 | 725.1 | 908.0 | 1,164.6 |
| Factor Service Payments | 1,626.0 | 1,911.1 | 1,929.4 | 2,117.2 | 2,497.9 | 3,055.6 |
| Merchandise Imports, fob | 8,482.2 | 9,164.4 | 8,558.7 | 7,913.8 | 9,212.5 | 11,578.0 |
| Imports of Goods & Services | 11,654.8 | 12,974.4 | 12,036.6 | 11,307.1 | 13,246.8 | 17,157.5 |
| Non-Factor Services Payments | 1,546.6 | 1,858.9 | 1,548.4 | 1,776.1 | 2,196.5 | 2,523.9 |
| Increase (-) in Reserves | 152.0 | (84.4) | 706.1 | 514.2 | (73.2) | (313.4) |
| Other Net Long-Term Inflows | 1,657.5 | 2,154.4 | 952.5 | 770.7 | 160.3 | (1,131.4) |
| Current Account Balance | (1,458.8) | (2,441.7) | (1,872.6) | 522.9 | 1,520.2 | 3,411.0 |
| Net Foreign Direct Investment | 573.5 | 687.1 | (13.2) | 189.4) | (366.0) | (496.4) |
| Net Long-Term Capital Inflow | 1,632.0 | 2,157.5 | 989.2 | 181.3 | (225.7) | (1,627.8) |
| Other Net Capital Inflows | 725.2 | 368.5 | 196.2 | 1,139.4) | (1,231.2) | (1,469.8) |
| INDICIES | | | | | | |
| Terms of Trade Index | 128.4 | 114.8 | 110.4 | 100.0 | 89.7 | 92.8 |
| Constant price Exports, fob | 11,606.5 | 12,524.9 | 11,257.1 | 14,270.4 | 16,421.4 | 21,719.5 |
| Constant price Imports, cif | 13,594.0 | 17,301.6 | 11,449.5 | 8,958.5 | 9,556.2 | 9,853.1 |
| Domestic Absorption Deflator | 45.2 | 51.0 | 57.7 | 66.9 | 78.9 | 92.9 |
| GDP Deflator | 46.6 | 51.3 | 56.3 | 62.1 | 69.1 | 79.6 |
| Agricultural Value Added Deflator | 61.6 | 62.8 | 69.1 | 70.9 | 72.8 | 79.0 |
| Industrial value Added Deflator | 38.1 | 43.3 | 47.9 | 53.2 | 61.5 | 72.3 |
| Manufacturing Real Output per Employee | 72.0 | 71.7 | 86.4 | 86.9 | 71.7 | 74.9 |
| Manufacturing Real Earnings per Employee | 85.2 | 88.5 | 91.6 | 91.5 | 94.8 | 96.2 |
| Fuel Export Price Index | 36.7 | 35.7 | 38.4 | 42.3 | 42.3 | 61.0 |
| Manufactures Export Price Index | 78.9 | 75.2 | 71.4 | 72.2 | 69.9 | 83.5 |
| Nonfuel Primary Products Export Price Index | 71.5 | 70.1 | 72.2 | 72.5 | 76.3 | 90.7 |
| Export Price Index, fob | 74.2 | 71.6 | 70.2 | 71.0 | 69.5 | 84.7 |
| Import Price Index, cif | 57.8 | 62.3 | 63.6 | 70.0 | 79.7 | 91.2 |
| Conversion Factor, Annual Average | 0.7 | 0.7 | 0.9 | 0.9 | 0.8 | 0.8 |

DEVELOPMENT INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data
Values in Millions

| TITLE | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|
| Merchandise Exports, fob | 25,687.6 | 21,596.2 | 17,244.0 | 18,222.2 | 18,930.9 | 18,134. |
| Exports of Goods & Services | 29,246.2 | 24,120.4 | 20,578.9 | 21,427.2 | 19,995.3 | 18,874.0 |
| Non-Factor Services Receipts | 2,157.9 | 2,217.4 | 2,158.2 | 1,854.7 | 1,772.5 | 1,465.3 |
| Factor Service Receipts | 1,404.7 | 1,216.9 | 1,176.7 | 1,245.1 | 1,271.9 | 1,145.2 |
| Factor Service Payments | 4,127.5 | 4,299.2 | 3,878.4 | 4,240.2 | 3,989.8 | 3,542.7 |
| Merchandise Imports, fob | 18,271.7 | 20,264.2 | 18,264.9 | 14,217.6 | 14,747.1 | 10,430.8 |
| Imports of Goods & Services | 25,958.7 | 29,100.7 | 23,906.9 | 21,546.4 | 21,642.9 | 16,336.5 |
| Non-Factor Services Payments | 3,587.5 | 3,978.4 | 3,493.6 | 3,186.5 | 3,329.0 | 2,362.6 |
| Increase (-) in Reserves | (727.5) | 1,944.6 | 611.2 | 581.2 | 477.8 | 519.4 |
| Other Net Long-Term Inflows | 248.4 | (52.1 | (210.9) | (2,378.3) | 1,581.9 | (385.6 |
| Current Account Balance | 3,498.2 | 4,584.2 | 3,103.6 | 22.5 | (1,656.7) | 2,511.3 |
| Net Foreign Direct Investment | (765.2) | (574.7) | 307.8 | (91.3) | 248.4 | 498.9 |
| Net Long-Term Capital Inflow | (1,404.5) | 149.1 | 2,290.1 | (797.5) | 1,730.2 | (884.9 |
| Other Net Capital Inflows | (1,756.3 | 1,239.6 | (4,1 | 1,295.7 | (629.9 | 1,446.4 |
| INDICIES | | | | | | |
| Terms of Trade Index | 100.0 | 94.9 | 85.8 | 82.7 | 82.1 | 75.6 |
| Constant price Exports, fob | 25,680.0 | 22,760.9 | 21,168.4 | 22,510.2 | 22,423.8 | 23,270.2 |
| Constant price Imports, cif | 19,245.7 | 22,654.3 | 19,043.7 | 16,417.1 | 17,232.6 | 12,177.9 |
| Domestic Absorption Deflator | 100.0 | 104.1 | 103.4 | 151.9 | 169.7 | 192.6 |
| GDP Deflator | 100.0 | 109.4 | 113.6 | 141.8 | 159.6 | 184.9 |
| Agricultural Value Added Deflator | 100.0 | 112.2 | 117.7 | 125.8 | 156.0 | 161.2 |
| Industrial Value Added Deflator | 100.0 | 101.8 | 106.7 | 131.7 | 145.1 | 177. |
| Manufacturing Real Output per Employee | 100.0 | 97.4 | 100.2 | 0.0 | 0.0 | 0.0 |
| Manufacturing Real Earnings per Employee | 100.0 | 1.2.4 | 1 1.2 | 1.1. | . | . |
| Fuel Export Price Index | 100.0 | 113.5 | 1 1.6 | 92.5 | 90.2 | 87.9 |
| Manufactures Export Price Index | 100.0 | 97.2 | 93.7 | 75.3 | 74.6 | 68.1 |
| Tradeal Primary Products Export Price Index | 100.0 | 95.1 | 91.2 | 89.2 | 87.4 | 82.0 |
| Export Price Index, fob | 100.0 | 94.7 | 83.7 | 79.1 | 77.4 | 71.1 |
| Import Price Index, cif | 100.0 | 99.3 | 97.5 | 96.7 | 94.2 | 94.2 |
| Conversion Factor, Annual Average | 0.8 | 0.9 | 1.1 | 1.1 | 1.4 | 1.1 |

DEVELOPMENT INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data
(Values in Millions)

| TITLE | 1986 |
|---|---|
| Merchandise Exports, fob | 18,259.3 |
| Exports of Goods & Services | 20,978.1 |
| Non-Factor Services Receipts | 1,437.0 |
| Factor Service Receipts | 1,281.9 |
| Factor Service Payments | 4,091.5 |
| Merchandise Imports, fob | 11,096.9 |
| Imports of Goods & Services | 17,940.8 |
| Non-Factor Services Payments | 2,752.4 |
| Increase (-) in Reserves | 167.9 |
| Other Net Long-Term Inflows | (955.9) |
| Current Account Balance | 3,124.8 |
| Net Foreign Direct Investment | (16.1) |
| Net Long-Term Capital Inflow | (971.9) |
| Other Net Capital Inflows | 2,330.5 |
| INDICIES | |
| Terms of Trade Index | 71.9 |
| Constant price Exports, fob | 23,421.6 |
| Constant price Imports, cif | 11,850.6 |
| Domestic Absorption Deflator | 222.2 |
| GDP Deflator | 212.8 |
| Agricultural Value Added Deflator | 173.1 |
| Industrial Value Added Deflator | 202.8 |
| Manufacturing Real Output per Employee | 0.0 |
| Manufacturing Real Earnings per Employee | 0.0 |
| Fuel Export Price Index | 45.0 |
| Manufactures Export Price Index | 84.5 |
| Nonfuel Primary Products Export Price Index | 81.5 |
| Export Price Index, fob | 78.8 |
| Import Price Index, cif | 109.5 |
| Conversion Factor, Annual Average | 2.3 |

SOCIAL INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data

| TITLE | UNIT | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | SQ KILOM. | 1,221 | 1,221 | 1,221 | 1,221 | 1,221 | 1,221 |
| Total agricultural land | SQ KILOM. | 962 | 960 | 956 | 954 | 954 | 951 |
| Arable land | SQ KILOM. | 124 | 124 | 125 | 125 | 125 | 126 |
| Pasture land | SQ KILOM. | 830 | 827 | 825 | 822 | 820 | 817 |
| POPULATION | | | | | | | |
| Total population, interp series | NUMBER | 22,459,024 | 22,013,024 | 23,577,024 | 24,150,016 | 24,727,024 | 25,306,016 |
| Population, female | NUMBER | 11,514,017 | 11,772,936 | 12,079,884 | 12,317,964 | 12,565,972 | 12,872,792 |
| Population, male | NUMBER | 11,145,925 | 11,516,364 | 11,775,716 | 12,052,628 | 12,229,427 | 12,633,210 |
| Population, age 0-14 | NUMBER | 9,536,956 | 9,787,149 | 10,012,799 | 10,240,610 | 10,481,211 | 10,721,557 |
| Population, age 15-64 | NUMBER | 12,124,251 | 12,521,696 | 12,814,441 | 13,149,057 | 13,398,601 | 13,704,697 |
| Population, age 65+ | NUMBER | 952,657 | 975,957 | 999,772 | 1,024,181 | 1,047,214 | 1,074,764 |
| Urban population total | NUMBER | 10,779,131 | 11,157,555 | 11,442,425 | 11,714,929 | 11,995,695 | 12,242,485 |
| Urban population as % total | PERCENT | 48 | 48 | 48 | 48 | 48 | 48 |
| Agriculture population density | NUMBER | 23.354 | 24.161 | 24.670 | 25.302 | 25.912 | 26.616 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, interp series | NUMBER | 40 | 41 | 41 | 39 | 39 | 39 |
| Crude death rate interp series | NUMBER | 18 | 17 | 17 | 17 | 16 | 16 |
| Infant mort rate, age 0-1 interp series | NUMBER | 114 | 111 | 111 | 107 | 104 | 101 |
| Child mort rate, age 1-4 interp series | NUMBER | 19 | 18 | 0 | 0 | 0 | 0 |
| Life expectancy, total | NUMBER | 49 | 49 | 49 | 50 | 50 | 51 |
| Life expectancy, males interp series | NUMBER | 47 | 47 | 48 | 48 | 49 | 49 |
| Life expectancy, female | NUMBER | 50 | 51 | 51 | 51 | 51 | 51 |
| Total fertility rate interp series | NUMBER | 5 | 5 | 5 | 5 | 5 | 5 |
| Contraceptive users | NUMBER | | 0 | 0 | 0 | 0 | 0 |
| Persons per household | NUMBER | | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of nurses | NUMBER | 0 | 0 | 0 | 60,000 | 0 | 0 |
| Population per nurse | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | NUMBER | 2,709 | 2,722 | 2,794 | 2,857 | 2,858 | 2,932 |
| Daily calorie requirement | NUMBER | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | NUMBER | 72 | 72 | 74 | 75 | 75 | 77 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | PERCENT | 99 | 0 | 105 | 0 | 0 | 0 |
| Gross enrollment ratio, male | PERCENT | 109 | 0 | 115 | 0 | 0 | 0 |
| Gross enrollment ratio, female | PERCENT | 89 | 0 | 105 | 0 | 0 | 0 |
| Illiterate population as % pop age 15+ | PERCENT | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | NUMBER | 8,020,001 | 8,431,001 | 8,507,201 | 8,642,801 | 8,745,401 | 8,954,001 |
| Labor participation rate | PERCENT | 37 | 0 | 0 | 0 | 0 | 35 |
| Male labor participation rate | PERCENT | 50 | 0 | 0 | 0 | 0 | 47 |
| Female labor participation rate | PERCENT | 24 | 0 | 0 | 0 | 0 | 23 |
| Female labor force as % total labor force | PERCENT | 33 | 33 | 33 | 33 | 34 | 34 |
| Labor in agriculture as % total | PERCENT | 33 | 33 | 31 | 30 | 29 | 28 |
| Labor in industry | PERCENT | 29 | 30 | 31 | 31 | 31 | 32 |
| Labor in services | PERCENT | 38 | 37 | 4 | 40 | 40 | 40 |

SOCIAL INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data

| TITLE | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|
| LAND | | | | | | | |
| Total land area | 1,221 | 1,221 | 1,221 | 1,221 | 1,221 | 1,221 | 1,221 |
| Total agricultural land | 949 | 949 | 948 | 947 | 947 | 946 | 946 |
| Arable land | 126 | 126 | 125 | 125 | 124 | 124 | 124 |
| Pasture land | 815 | 815 | 815 | 814 | 814 | 814 | 814 |
| POPULATION | | | | | | | |
| Total population, (interp series) | 25,889,024 | 26,470,016 | 27,070,016 | 27,672,016 | 28,283,024 | 28,907,024 | 29,546,016 |
| Population, female | 13,166,949 | 13,467,908 | 13,775,155 | 14,090,194 | 14,262,520 | 14,620,927 | 14,988,307 |
| Population, male | 12,929,053 | 13,225,354 | 13,548,847 | 13,870,808 | 14,249,482 | 14,710,075 | 15,079,695 |
| Population, age 0-14 | 10,835,051 | 10,947,391 | 11,057,677 | 11,167,877 | 11,277,324 | 11,645,411 | 12,025,784 |
| Population, age 15-64 | 14,182,550 | 14,675,457 | 15,187,661 | 15,708,415 | 16,249,181 | 16,579,100 | 16,917,376 |
| Population, age 65+ | 1,077,402 | 1,079,454 | 1,082,374 | 1,084,755 | 1,085,498 | 1,110,492 | 1,127,677 |
| Urban population total | 12,691,947 | 13,051,486 | 13,428,565 | 13,810,842 | 14,191,553 | 14,657,965 | 15,139,672 |
| Urban population as % total | 49 | 49 | 49 | 49 | 50 | 51 | 51 |
| Agriculture population density | 27,491 | 28,152 | 28,818 | 29,518 | 30,222 | 31,006 | 31,818 |
| DEMOGRAPHIC CHARACTERISTICS | | | | | | | |
| Crude birth rate, (interp series) | 39 | 38 | 38 | 38 | 39 | 39 | 39 |
| Crude death rate (interp series) | 16 | 15 | 15 | 15 | 15 | 14 | 14 |
| Infant mort rate, age 0-1 (interp series) | 98 | 93 | 97 | 90 | 88 | 85 | 82 |
| Child mort rate, age 1-4 (interp series) | 0 | 0 | 0 | 0 | 0 | 0 | 16 |
| Life expectancy, total | 51 | 51 | 52 | 52 | 53 | 53 | 54 |
| Life expectancy, males (interp series) | 49 | 50 | 51 | 51 | 51 | 51 | 52 |
| Life expectancy, female | 53 | 53 | 54 | 54 | 54 | 55 | 55 |
| Total fertility rate (interp series) | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Contraceptive users | 50 | 0 | 0 | 0 | 0 | 0 | 0 |
| Persons per household | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | | | | |
| Number of physicians | 0 | 0 | 14,512 | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 65,911 | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,907 | 2,963 | 2,939 | 2,917 | 2,917 | 2,952 | 2,948 |
| Daily calorie requirement | 0 | 2,450 | 0 | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 76 | 76 | 77 | 77 | 77 | 78 | 78 |
| EDUCATION | | | | | | | |
| Gross enrollment ratio | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, male | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, female | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | | | | |
| Labor force size | 8,973,001 | 9,092,001 | 9,211,001 | 9,330,001 | 9,449,001 | 9,725,401 | 10,001,801 |
| Labor participation rate | 0 | 0 | 0 | 0 | 33 | 0 | 0 |
| Male labor participation rate | 0 | 0 | 0 | 0 | 44 | 0 | 0 |
| Female labor participation rate | 0 | 0 | 0 | 0 | 22 | 0 | 0 |
| Female labor force as % total labor force | 34 | 34 | 34 | 34 | 34 | 34 | 35 |
| Labor in agriculture as % total | 23 | 21 | 20 | 18 | 17 | 0 | 0 |
| Labor in industry | 31 | 33 | 34 | 34 | 35 | 0 | 0 |
| Labor in services | 44 | 45 | 46 | 47 | 48 | 0 | 0 |

SOCIAL INDICATORS FOR SOUTH AFRICA
Based Upon World Bank Data

| TITLE | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|
| LAND | | | | |
| Total land area | 1,221 | 1,221 | 1,221 | 0 |
| Total agricultural land | 946 | 946 | 0 | 0 |
| Arable land | 124 | 124 | 124 | 0 |
| Pasture land | 814 | 814 | 814 | 0 |
| POPULATION | | | | |
| Total population, (interp series) | 30,204,016 | 30,885,024 | 31,593,024 | 32,292,016 |
| Population, female | 15,365,159 | 15,750,982 | 16,155,125 | 0 |
| Population, male | 15,458,843 | 15,847,020 | 16,276,877 | 0 |
| Population, age 0-14 | 12,422,731 | 12,832,668 | 13,274,435 | 0 |
| Population, age 15-64 | 17,252,208 | 17,594,736 | 17,963,872 | 0 |
| Population, age 65+ | 1,149,077 | 1,170,610 | 1,193,716 | 0 |
| Urban population total | 15,637,454 | 16,151,086 | 16,702,481 | 0 |
| Urban population as % total | 55 | 57 | 56 | 0 |
| Agriculture population density | 32,625 | 33,453 | 0 | 0 |
| DEMOGRAPHIC CHARACTERISTICS | | | | |
| Crude birth rate, (interp series) | 38 | 38 | 37 | 0 |
| Crude death rate (interp series | 0 | 0 | 13 | 0 |
| Infant mort rate, age 0-1 (interp series) | 81 | 80 | 78 | 0 |
| Child mort rate, age 1-4 (interp series) | 0 | 7 | 7 | 0 |
| Life expectancy, total | 55 | 54 | 55 | 0 |
| Life expectancy, males (interp series) | 0 | 0 | 53 | 0 |
| Life expectancy, female | 0 | 0 | 57 | 0 |
| Total fertility rate (interp series | 5 | 5 | 5 | 0 |
| Contraceptive users | 0 | 0 | 0 | 0 |
| Persons per household | 0 | 0 | 0 | 0 |
| HEALTH AND NUTRITION | | | | |
| Number of physicians | 0 | 0 | 0 | 0 |
| Number of nurses | 0 | 0 | 0 | 0 |
| Population per nurse | 0 | 0 | 0 | 0 |
| Daily calorie intake | 2,930 | 2,979 | 2,926 | 0 |
| Daily calorie requirement | 0 | 0 | 0 | 0 |
| Daily protein supply (gms) | 76 | 77 | 72 | 0 |
| EDUCATION | | | | |
| Gross enrollment ratio | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, male | 0 | 0 | 0 | 0 |
| Gross enrollment ratio, female | 0 | 0 | 0 | 0 |
| Illiterate population as % pop age 15+ | 0 | 0 | 0 | 0 |
| EMPLOYMENT | | | | |
| Labor force size | 10,278,201 | 10,554,601 | 10,831,001 | 11,151,601 |
| Labor participation rate | 0 | 0 | 33 | 0 |
| Male labor participation rate | 0 | 0 | 44 | 0 |
| Female labor participation rate | 0 | 0 | 23 | 0 |
| Female labor force as % total labor force | 35 | 35 | 35 | 35 |
| Labor in agriculture as % total | 0 | 0 | 0 | 0 |
| Labor in industry | 0 | 0 | 0 | 0 |
| Labor in services | 0 | 0 | 0 | 0 |