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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

THE ECONOMY OF THE CENTRAL AFRICAN REPUBLIC

February 28, 1969

Western Africa Department

Currency Unit	-	CFA franc (CFAF)
US$ 1.00	=	CFAF 247
CFAF 1,000	=	US$ 4.05
CFAF 50	=	1.00 French francs
Units	-	Metric

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This is the first Economic Report prepared by the Bank on the Central African Republic. It has been prepared mainly on the basis of information collected by an economic mission which visited the country in November 1966.

TABLES IN THE TEXT

BASIC DATA

Area: 623,000 square kilometers

Population (1966): 1,465,000

Rate of growth: 1.8 per cent
Density: 2.3 per square kilometer

Political Status:

- Independent since August 13, 1960;
- Member of Equatorial African Monetary Union and of the Franc Zone;
- Member of the Customs Union of Central African States (UDEAC);
- Associated Member of the EEC.

Gross Domestic Product (1964):

Total GDP (market prices) - CFAF 41.4 billion

Agriculture	37%
Mining and Manufacturing	14%
Government	17%
Other	32%

GDP per capita - US$ 110

Percent of GDP at Market Prices (1964):

Domestic investment	17.4%
Domestic savings	10.9%
Net factor payments abroad	8.7%
Balance of payments current account deficit	15.2%
Government tax revenue	13.5%

Money, Credit and Prices (CFAF billion):

	December 1967	Average annual increase 1965-1967
Total money supply	5.87	4%
Quasi-money	0.47	43%
Commercial Bank credit to private sector	7.37	18%
Rate of change in prices	-	2.3%

Government Finance (CFAF billion):

	1964	1967
Government current receipts	6.6	8.0
Government current expenditures	6.6	8.2
Surplus	-	-0.2
Government investment	0.3	-
Overall Deficit	0.3	0.2

External Public Debt (US$ million):

Total debt (including undisbursed) at June 30, 1968	22.1
Total debt service (1968)	1.5
Debt service ratio	4.7% of 1967 exports

Balance of Payments (US$ million):

	1964	1966
Exports	36.0	38.5
Imports	-36.0	-43.7
Services (net)	-10.9	- 4.5
Factor payments (net)	-14.6	- 7.3
Current account balance	-25.5	-17.0
Transfers	+23.9	+15.0

Commodity Concentration of Exports:

	1964	1967
Diamonds	43%	47%
Cotton	19%	23%
Coffee	28%	20%

Foreign Exchange Reserves (US$ million):

	End of year		
	1964	1967	1968
Gross reserves (Central Bank)	7.11	4.75	4.72 (Oct.)
Net reserves	5.71	1.37	2.35 (Oct.)

IMF Position (US$ million):

	1968
Quota	9.00
Drawings	-

Bank/IDA Operations - None

SUMMARY AND CONCLUSIONS

1. The Central African Republic in Equatorial Africa is a large country with a small and sparsely distributed population. The economy is essentially agricultural, and still has a large subsistence sector. Cotton and coffee are the main cash crops, and natural conditions favor the production of a wider range of crops. There are also large forestry reserves which will be exploited on a larger scale in the future. Mineral resources include diamonds, which are the main export, and uranium ore, which will be developed in the future. There is little industry, it being limited by the small size of the market. CAR's main trade partners are France, the other European Common Market countries, and its UDEAC 1/ customs union partners. The currency circulating within UDEAC, the CFA franc, is issued by a common central bank. Its convertibility into French francs is guaranteed by France.

2. The development of the economy since independence in 1960 has been marked by two phases. Up to 1965, under the government of President Dacko, economic trends were disappointing, and GDP in real terms actually declined. Cotton production had been discouraged by the previous government. However, the consequent drop in exports was to some extent offset by increases for diamonds and coffee. During the same period, government revenues increased very sharply, but current expenditures rose even more rapidly. This was, however, a period of quite large French budget subsidies, and the need to generate public savings to finance investment may not have been very evident to the CAR authorities at the time.

3. The higher tax burden, and a forced loan, provoked widespread popular opposition, and it is probably not a coincidence that in January 1966 the army seized power by a bloodless coup d'état and a new régime was installed.

4. The new government, under President Bokassa, introduced a policy of expanding cotton production, and reduced some taxes. Whereas in the past cotton production used to depend on coercive persuasion, the results of the new cotton program have demonstrated that the farmers are responsive to encouragement, advice and adequate incentives. By 1967 cotton production had regained its pre-independence peak, and further increases are anticipated. Coffee and recorded diamond production have been more or less stationary since 1965, the latter because of increased smuggling. GDP in real terms has improved since 1966, but data to prove this is not available.

5. In spite of the recovery of cotton, the budgetary situation has not improved. In 1967 there was no current surplus, and in 1968 a deficit, aggravated by sharply increased debt service, was anticipated. Budgetary investment has been financed very largely by domestic borrowing and Treasury operations since French budgetary support ended after 1966. Most extra-budgetary investment has been financed directly by foreign aid (FED and FAC).

6. A four-year plan has been prepared for all development expenditures during 1967-70. Although the sectoral allocation of resources is fairly well conceived, the plan appears too large, particularly in the public sector. Actual execution in 1967 confirms this.

1/ Union Douanière des Etats de l'Afrique Centrale.

7. Longer term prospects depend partly on improving CAR's international transport. This would have a beneficial effect on economic activity in general, and particularly on forestry development.

8. Public savings have on average been negligible since independence, and the Government is not expected to be able to improve this situation in the short term. It will be difficult to avoid current budgetary deficits in the future, and other public entities are unlikely to make significant savings either. In these circumstances, CAR should avoid borrowing at conventional terms, and should not be regarded as creditworthy for Bank lending.

9. The Government should make a greater effort to contain and improve the composition of recurrent expenditures. On the other hand, it would be unwise for it to increase taxation. Although there are problems in the field of public finance, the performance of the economy in the productive sectors has been commendable. Cotton production has recovered remarkably, and prospects for the forestry and mining sectors are also good. The Government is proposing to improve its road maintenance operations in the framework of the forthcoming IDA project, and an ongoing UNDP highways study.

10. In view of the country's poverty, modest prospects and its acceptable performance, IDA lending would be justified. Furthermore, the inability to mobilize public savings at this time, and the desirability of increasing the rate of execution of high priority investments would, in general, justify the financing of all the local costs of projects by external agencies. Local cost financing is particularly necessary since disbursements from existing aid sources are declining, and the discontinuation of external budget subsidies limits the availability of free foreign resources which could be used indirectly to finance the CAR contribution to projects.

I. INTRODUCTION

A. The Country

1. The Central African Republic, a land-locked country more than 600 kilometers from the west coast of the African continent, forms a transition area between the equatorial West African forest and the sub-saharan bush. Its area is 623,000 square kilometers, or twice the size of Italy. Most of the country drains into the Oubangui River, but the northern part of the country forms part of the Lake Chad basin. Annual rainfall is about two meters in the south-west, falling to about one meter in the north. There is a pronounced dry season from October to March.

2. The country is moderately well endowed with natural resources, and has adequate rainfall and areas of good soil. There are large forestry reserves in the south-west of the country. Mineral resources include substantial reserves of diamonds and uranium ore. In fact, diamonds are the largest single export. The uranium will be exploited under an agreement recently signed with a French company.

B. Population[1/]

3. The total population as of mid-1967 has been estimated at 1,487,000. [2/] About 10 percent of the people live in the capital, Bangui, and another 17 percent live in eight towns of between 15,000 and 20,000 people each. Average density is very low, at about 2.4 people per square kilometer.

4. The estimated annual rate of growth of population was 2.8 percent between 1963 and 1967. The urban centers are growing more rapidly, and the capital is experiencing particularly acute problems of housing, health, education and sanitation.

5. The present growth rate is the result of a high birth rate and a very high death rate. In the absence of a positive population policy, the growth rate will rise rapidly whenever the death rate starts to fall to a more acceptable level.

6. The ease with which people can obtain their subsistence means that rural incomes can be maintained at their present level without diverting resources from investments contributing to the growth of per capita incomes. Indeed, the relative attraction of the subsistence economy has in the past tended to discourage the development of production for the monetary market. In the short run, resources are having to be mobilized to meet the needs of the growth of the urban populations, which is mainly due to migration from rural areas rather than natural

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1/ Statistics taken from the UN Demographic Year Book.
2/ Including some 6,600 non-Africans and 28,000 Sudanese refugees.

demographic growth. On the other hand, while the rural population does not at present make large demands on monetary investment resources, the long-term growth of the population will, together with urban migration, make it more difficult to increase per capita monetary incomes and to extend essential social services to the whole population in the future.

7. Although the people of the CAR can be successfully trained for skilled employment,- diamond cutting is a newly established business, for example - the prevailing level of skills and education is very low. Very few people have completed secondary education. In 1965/66, there were 128,000 pupils in primary education and only 5,000 in all secondary education. The educational system has been unable to supply the country's requirements for trained staff to work in the civil service, let alone to meet the growth of skilled employment in the productive sectors.

8. The economic significance of the small foreign population is out of proportion to their numbers. Foreigners, mostly French, control the business sector, and the key staff in the administration, in education and the hospitals are nearly all foreigners. Most savings are made by expatriates, and these are very largely transferred abroad.

9. The total number of foreigners in the country has grown by 30 percent since 1962, but in some areas the number has declined because of the departure of French troops and coffee planters, and the gradual Africanization of government posts. Moslem Hausa merchants are active in the diamond business, and they are blamed for the considerable clandestine trade in this commodity.

C. Political Developments

10. The CAR attained internal self-government in 1956 and became independent in August 1960. The first President was David Dacko. His government continued to maintain close links with France while developing ties with communist nations. The previous government, under Barthélemy Boganda, had campaigned on an "anti-cotton" platform, dictated by resentment against compulsory cotton-growing during the colonial régime; and this, coupled with the poor monetary return for cotton at prevailing yields, led to a disastrous decline in production during the post-independence years.

11. French military aid was ended in 1965, leaving only a few military advisers. In January 1966 the Army perpetrated a bloodless coup d'état prompted by their disapproval of the government's foreign policy, and popular opposition to high taxes, forced party subscriptions, and a compulsory internal loan. The Army commander, Colonel Bokassa, assumed control of the country.

12. The new régime followed more prudent economic policies. It has pursued an energetic campaign to increase cotton production and has improved road maintenance. However, the Constitution was abrogated in January 1966, and the National Assembly, the Economic and Social Council,

and the ruling committee of the single party (MESAN) were all dissolved. The new government improved the strained relations that existed with the Sudan and the Democratic Republic of the Congo, and continued close relations with France. Late in 1967, President Bokassa requested the return of French troops, presumably to forestall political troubles, and several hundred paratroopers were sent there. Relations with the Congo (K) deteriorated sharply in late 1968 in circumstances which are as yet unclear.

D. Regional and International Cooperation

13. The CAR is a member of the Franc monetary zone, the Organisation Commune Africaine et Malgache (OCAM) and its economic counterpart (OAMCE). It is associated with the European Economic Community, receiving aid from the European Development Fund and affording reciprocal preferential tariff treatment to goods from the EEC and other associated countries. The CAR is also a member of the Organization of African States (OAS).

14. The most important regional tie is its membership of the Union Douanière et Economique de l'Afrique Centrale (UDEAC), a customs union with Congo (B), Gabon, Cameroon and Chad, and the Banque Centrale des Etats de l'Afrique Equatoriale et du Cameroun (BCEAEC), the central bank which operates in these five countries.

15. In April 1968 the government announced its intention to leave UDEAC to create the Union des Etats de l'Afrique Centrale (UEAC) together with Chad and Congo (K) on January 1, 1969. However, in December 1968 President Bokassa announced that he was returning to UDEAC. The position of Chad in these new circumstances is not yet known.

16. The CAR became a member of the United Nations in 1960, and of the IMF, IBRD and IDA in 1963.

II. STRUCTURE AND DEVELOPMENT OF THE ECONOMY

A. Production[1/]

17. The economy of the CAR is essentially agricultural. Cotton and coffee are the main export crops, and there is a large subsistence sector. Diamond mining, which is mainly carried out by individual artisans, provides the principal export; a large proportion of the stones are of gem quality. Industrial development is at an early stage and the large volume of foreign trade in relation to national income has led to the development of a large commercial sector. Employment by the government has risen very rapidly since independence, and this is now of major importance.

18. The output of the economy is shown in Table I below. Agriculture, consisting mainly of cotton, coffee and a large subsistence sector, accounted for some 37 percent of GDP in 1964, the year for which the most recent national accounts have been made. Administration and Commerce and Other Services made up 17 percent and 29 percent of GDP respectively, while Industry and Construction accounted for 11 percent, and diamonds for 6 percent. Apart from this last item, the structure of GDP is typical of the underdeveloped African economies. The proportion of subsistence production in GDP has probably been declining slowly in recent years, and is now in the region of 30 percent.

19. The monetary sector of the economy is export-oriented; exports represent more than 20 percent of total GDP and over one-third of monetized GDP. The leading exports are diamonds, cotton and coffee. Imports, which accounted for nearly 30 percent of domestic expenditure in 1961, have been declining in relative terms since then; partly as the result of some import substitution, particularly of textiles.

Table I: GROSS DOMESTIC PRODUCT - CURRENT PRICES
(billion CFA francs)

	1961	1964
GDP (market prices)	34.1	41.4
Agriculture	14.4	15.3
of which: Subsistence	(12.6)	(12.0)
Mining (diamonds)	1.3	2.3
Industry	3.0	3.4
Construction	1.0	1.2
Administration	4.8	6.9
Other Services	9.6	12.3

Source: Appendix II, Table 3.

20. Cotton production declined from 33,400 tons of unginned fiber in the 1962/63 season to 24,400 tons in 1965/66. This, together with relative stagnation in the output of other important agricultural products (see Appendix II, Table 5) led almost certainly to a decline in GDP in real terms

1/ See Appendix I on Sectoral Developments.

in 1965. Subsequent growth has been impressive; the crop reached 49,000 tons in 1967/68, and 60,000 tons is expected in 1969/70. The output of groundnuts and sesame has also increased in the past two years. While forestry production has been limited so far to the needs of the CAR and Chad market, new concessions should lead to expansion in the next few years. Livestock has been relatively neglected in the past, but a promising start has been made through the introduction of trypanosomiasis-resistant strains for draft animals, and further developments should be encouraged.

21. Diamond production and export rose rapidly between 1961 and 1965 (see Appendix II, Table 13), but has been stationary at about CFAF 3.5 billion since then. This has been partly due to an increase in smuggling, encouraged by much lower taxation of diamonds in neighboring Congo (B).

22. Although the industrial base is very limited, there has been appreciable growth in recent years. A textile factory with an annual capacity of 4 million square meters was set up in 1962, and a second one with a capacity of 13 million square meters has been constructed in the last two years, and is now coming into production. A new soap factory also came into production in 1968. Some of these new industrial investments have given rise to a sharp increase in debt service obligations for suppliers' credits.

23. It is only possible to give a rough indication of the development of GDP in real terms. In the first place, the treatment of the subsistence sector in the national accounts may understate its real importance by discounting the growth in this item, and secondly the available price indices refer, in effect, to the capital alone, and to consumption patterns relevant to relatively high income groups. Furthermore, it is not certain in which direction CAR's terms of trade are likely to have moved in recent years; although import prices have certainly risen, and the trend has been unfavorable for cotton and coffee, prices of diamonds, the main export, have been rising.

24. Between 1961 and 1964 estimated GDP at market prices rose from CFAF 34.1 billion to CFAF 41.4 billion, or about 20 percent. During the same period, the average level of prices in Bangui rose by some 20 percent, and population increased by some 9 percent. As a first approximation, real GDP per capita therefore fell during this period by perhaps about 10 percent. GDP fell in current prices between 1964 and 1965, but it recovered thereafter, and per capita incomes probably regained the 1964 level by 1966, and had risen again by a further 10 percent by 1968. Average GDP per capita may have been equivalent to about US$ 110 in 1968. Average GNP per capita is about 4 percent lower than this in view of the substantial factor payments abroad reflected in the balance of payments data. (See Table VI).

B. Factors affecting Development

Incentives

25. The comparative returns to labor devoted to cash and subsistence crops, and to agriculture and artisanal mining, and the relative preferences for cash income and leisure, have affected the development of the economy in the past. It is difficult to be precise about the significance of these factors.

26. The experience in recent years with cotton indicates that the CAR farmer has responded well to active political appeals to increase output, particularly when improved methods and techniques are demonstrably profitable. When cotton was originally introduced in the 1920's, farmers were required to grow this crop and to follow certain cultural practices. When this discipline was relaxed following independence and cotton production was discouraged as a "colonial" crop, it was not surprising that production fell, reaching about half the 1959 peak harvest in 1966.

27. After the poor 1966 harvest, the new government launched a successful campaign to renew the farmers' interest in cotton. As a result of this effort, known as the "opération Bokassa", which has since been extended to other crops, the area planted has increased and yields have risen. The quality of CAR cotton has been improved at the same time, and productivity has risen to the point where it is competitive on world markets without any price subsidy. In addition to the government's political campaign supporting cotton production, this success has also been due to the FED productivity program, which has been fully carried out on schedule, and the re-grouping of farmers in areas where they are accessible to the improved extension services. Appendix II, Table 6 provides the relevant data describing this development.

28. Although the cotton situation is improving rapidly, there appears to be a general problem in giving the farmer sufficient incentives to produce crops for sale beyond his minimum cash requirements. This difficulty, which has been observed elsewhere, is accentuated in the CAR because high transport costs make the terms of trade for the farmer unusually unfavorable. Subsistence food production is not difficult in much of the country, and the level of taxation is high, and this leads people to limit their production of cash crops. Alternative sources of cash, mainly artisanal diamond-mining, also limit the incentive to farm.

29. It has been held by some observers that the CAR population "lacks the will to work"; however, this is difficult to support on the basis of available information. There is a problem arising from the fact that some farmers may make an economic choice to limit their labor on cash crops, but this does not mean that there is an exceptional preference for leisure.

Transport

30. An important factor limiting the development of the economy is the poor transport system, both internal and external. Transport is limited to a few roads, the waterways and air travel, there being no railway.

31. The internal and external transport system is shown on two maps at the end of this report. The main international link is via the Oubangui River from Bangui to Brazzaville (1,210 km.), and the railway from Brazzaville to Pointe Noire (510 km.). This route extends north to Fort Lamy, and is also one of the main lines of communication for Chad. Over 95 percent of CAR's foreign trade is handled by this route. The Agence Transéquatoriale de Communications (ATEC), an international agency owned by the Chad, CAR, Congo (B) and Gabon governments, operates the ports and railway and is responsible for the maintenance of the roads and waterways along this route. The port of Bangui handled 213,000 tons in 1967 - 157,000 tons of imports and 56,000 tons of exports; 49,000 tons of traffic was in transit to and from Chad in that year.

32. At present the only alternative to this route is to go by road to Yaoundé and to Douala by rail. The route is at present uneconomic because of the poor state of the road, and is very little used. A regional transport survey financed by the UNDP is being carried out to determine the transport requirements of CAR and southern Cameroon. The consultants' preliminary conclusions indicate that the construction of a railway linking Bangui to Cameroon would not be economically justified for several decades, and that the navigability of the Oubangui river should be improved. Eventually a further alternative might be to send traffic by the Congolese company OTRACO to Kinshasa, and thence by rail to Matadi. For the time being, this choice is not open, partly because OTRACO is over-extended.

33. The internal road network consists of about 3,900 kms. of main roads (including 500 kms. maintained by ATEC), and 15,500 kms. of secondary and rural roads. Many of these roads are impassable during the wet season. The long distances within the country and the small volume of traffic along many routes makes the development of roads rather uneconomic in many areas. While minimum communications are an administrative necessity, and some investment may have to be undertaken just for this reason, the major priority is the adequate maintenance of the existing network. Even this would in fact require expenditures beyond the government's means. A second UNDP financed study, which was recently initiated, will make recommendations for the reorganization of road maintenance. A small number of road improvements are being financed by foreign aid.

34. Air traffic has been stable in recent years. Total air freight movements are less than 4,000 tons a year.

III. FOREIGN TRADE AND THE BALANCE OF PAYMENTS

35. The pattern of CAR's foreign trade is mainly the result of the traditional association with France and its close ties with the other UDEAC countries. CAR's association with the EEC, and the tariff preferences it affords to Common Market countries is a third element which has become more important in recent years. CAR trade with UDEAC countries, which is in very heavy deficit, reflects the fact that Congo (B) and Cameroon have relatively more industrial development, and are in a preferential position to supply manufactured consumer goods to CAR, while the latter's exports tend to compete with the products of other UDEAC countries.

A. Exports

36. France is by far the main market for CAR's exports, accounting for 34 percent in 1966. Cotton exports, which represented 45 percent of total exports at independence, made up 23 percent in 1967, recovering from a depressed 15 percent in 1966. In fact, the importance of diamonds in the export picture is even greater than it appears because of widespread smuggling.

Table II: EXPORTS
(billion CFA francs)

	1964	1965	1966	1967
Total	8.9	8.3	9.5	9.2
of which:				
UDEAC a/	1.8	1.8	1.9	2.0
France	3.3	2.5	2.8	..
Other Common Market	0.7	0.8	0.9	..
Commodity Concentration b/ (percent)				
Diamonds a/	43	54	54	47
Cotton	19	19	15	23
Coffee	28	15	24	20

a/ Including estimated re-exports and illicit trade.
b/ Non-UDEAC trade only.

Source: Appendix II, Tables 16 and 17, and IMF.

B. Imports

37. Similarly, France is the main source of imports, accounting for half the total. The main categories of imports from non-UDEAC countries are: mineral products (10 percent)1/, textiles (13 percent), machinery and equipment (25 percent) and transport equipment (10 percent). The main imports from the UDEAC countries are consumer goods (cigarettes, soap, shoes, etc.) and cattle on the hoof, from Chad.

1/ 1967 figures.

Table III: IMPORTS
(billion CFA francs)

	1964	1965	1966	1967
Total	8.9	8.7	10.8	13.1
of which:				
UDEAC a/	1.5	1.9	2.2	2.2
France	4.3	4.1	5.1	6.5
Other Common Market	1.2	0.9	1.3	2.1

a/ Including estimated re-exports and illicit trade.

Source: Appendix II, Table 18, and IMF.

C. Balance of Payments

38. Official estimates of the complete CAR balance of payments have not been made. Table IV below is based on very approximate estimates for several of the items, but it probably gives a good view of the overall situation. Coverage varies between some of the years. These estimates refer to 1961 and 1964-67.

Table IV: BALANCE OF PAYMENTS
(billion CFA francs)

	1961	1964	1965 a/	1966 a/	1967 a/ b/
Exports (f.o.b.)	+ 3.4	+ 8.9	+ 8.3	+ 9.5	+ 9.2
Imports (c.i.f.)	- 5.5	- 8.9	- 8.7	- 10.8	- 13.1
Services (net)	- 0.3	- 2.7	- 1.0	- 1.1	- 0.8
Balance on goods and services	- 2.4	- 2.7	- 1.4	- 2.4	- 4.7
Net factor payments	- 3.4	- 3.6	- 1.7	- 1.8	- 1.4
Current account balance	- 5.8	- 6.3	- 3.1	- 4.2	- 6.1
Transfers from abroad	+ 6.3	+ 5.9	+ 3.6	+ 3.7	+ 2.5
Capital Movements and Errors and Omissions	- 0.5	- 0.7	+ 0.1	- 0.3	+ 2.8
Net change in external assets c/	..	+ 1.1	- 0.5	+ 0.8	+ 0.8

a/ Transactions with other UDEAC countries included for merchandise trade only.
b/ Nine months' figures for all items except merchandise trade and changes in external assets.
c/ Minus sign indicates increase in assets.

Source: Trade data and IMF.

39. It should be pointed out that factor payments include some transfers of savings and private capital movements which, nevertheless, represent a call on the savings made within the economy. All foreign aid on grant terms, whether for budget subsidies, technical assistance or capital aid, is included in the transfer item. The decline in transfers is probably due in part to the withdrawal of French forces.

40. A principal and characteristic feature of the balance of payments is that transfers (mostly foreign aid) have financed not only a substantial deficit of goods and services, but also an even greater volume of remittances of savings and investment incomes.

41. The large increase in the current deficit in 1967 was partly due to the sharp rise in imports in that year. While this was due to some extent to credit expansion, an important factor was the high level of industrial investment in 1967, and this is also reflected by the unusually high figure for capital inflow.

42. The gross foreign exchange reserves imputed to the CAR within the BCEAEC currency zone have declined steadily from US$ 10.16 million in 1965 to US$ 4.75 million at the end of 1967 and US$ 4.72 million in October 1968. However, the foreign liabilities of the commercial banks exceed their foreign assets, so that net foreign assets for the CAR as a whole became negative in mid-1967, rising to only US$ 2.35 million in October 1968.

IV. MONEY AND BANKING

A. The Banking System

43. The BCEAEC, the central bank, operates in the CAR on the basis of the same principles as it does in the four other member countries. In particular, France guarantees the unlimited free conversion of the CFA franc, even if the central bank has a negative balance with the Compte d'Opérations, held at the French Treasury. If such a deficit were to be prolonged, then the central bank would increase rediscount rates and reduce rediscount ceilings. Since January 1968, the bank has been able to use liquidity ratio limits as well as rediscounting ceilings to manage credit to the economy.

44. There are three commercial banks operating in CAR, all foreign with either French control or participation. There is also a National Development Bank (BND), which was created in 1961 by the government, the Caisse Centrale and the BCEAEC to further the economic and social development of the country.

B. Monetary Survey

45. Money supply grew from CFAF 2.8 billion in 1960 to CFAF 5.9 billion at the end of 1967, an annual rate of growth of 10 percent. Seasonal peaks occur during the first and second quarters of the year, associated with credit expansion for the marketing of agricultural commodities. Domestic credit more than doubled between 1960 and 1967, from CFAF 3.1 billion to CFAF 7.1 billion, or 13 percent annually. Since 1962, credit has been extended exclusively to the private sector. Net public deposits in the banking system have ranged from CFAF 0.05 billion in 1962 to CFAF 1.3 billion in 1964, falling again to CFAF 0.2 billion in March 1967. In 1967, credit expansion facilitated an increase in imports leading to a deterioration in the trade balance. By May 1968, net foreign assets were negative, and although the Central Bank has drawing rights at the French treasury, the country's external position must now be regarded as rather precarious. Some limitation on further credit expansion would seem to be called for.

Table V: MONETARY SURVEY
(billion CFA francs)

	1963	1964	1965	1966	1967	May 1968
Foreign assets (net)	0.32	1.41	1.94	1.13	0.34	- 0.01
Domestic credit	4.29	3.50	4.43	5.75	7.12	9.14
Claims on public sector	- 0.25	- 1.25	- 0.89	- 0.51	- 0.97	- 0.55
Claims on private sector	4.54	4.75	5.32	6.26	8.09	9.69
Money	4.05	4.14	5.44	5.37	5.87	7.38
Currency outside banks	2.13	2.14	3.33	3.48	3.69	4.26
Demand deposits	1.76	1.87	2.00	1.80	2.08	2.96
Postal checking system	0.11	0.13	0.11	0.09	0.10	0.16
Quasi-Money	0.08	0.17	0.23	0.43	0.47	0.46

Source: IMF.

46. Almost all commercial bank lending is of a short-term nature, with practically no medium-term advances. Most of this credit is for external trade, commercial and crop financing. Total assets of the commercial banks have risen from CFAF 3.3 billion in 1960 to CFAF 6.5 billion at the end of 1966, an annual rate of 12 percent. A peak of CFAF 7.5 billion was reached in early 1967 to finance the record cotton crop. The commercial banks depend heavily on the central bank for rediscounting commercial paper, as does the Development Bank.

47. The BND can make short-, medium- and long-term loans (up to 10 years), finance crops, participate in firms, finance house construction, and provide consumer credit. The BND's resources as of mid-1967 consisted mainly of some CFAF 6.70 million rediscounted at the Central Bank, and CFAF 398 million borrowed from the Caisse Centrale. The BND also holds deposits for the Coffee Stabilization Fund, the Social Security Fund and other entities. During 1964/65, bad debt experience brought about a curtailment of funds for medium- and long-term operations. However, fresh capital was injected in 1965, and lending increased again. As of June 30, 1967, its outstanding loan and credit portfolio of CFAF 1,880 million was made up of about 40 percent short-term credit, 26 percent medium-term credit, and 34 percent long-term loans.

C. Wages and Prices

48. There are an estimated 55,000 wage-earners in the country, including casual workers. Government is the largest single employer, accounting for 12,000 jobs in 1965, excluding the Army. While public employment has been rising in recent years, the indications are that employment in the private sector has been declining. However, reported private employment may be understated.

49. Minimum hourly wages are set by the government for industrial and agricultural labor. There are two rates, one for Bangui and one for the rest of the country. The minimum agricultural wage outside Bangui is equivalent to an annual income of about US$ 100 for full-time work. The minimum industrial wage in Bangui is about twice as high. The rates, which are lower than those in all the other UDEAC countries with the exception of Chad, have not been increased since 1964. Actual wages paid are the object of collective bargaining with the labor unions.

Table VI: PRICE INDICES

	1960	1964	1965	1966	1967
Wholesale prices (1958 = 100)	111	138	148	148	155
European consumer prices (1956 = 100)	137	180	197	203	206
African consumer prices (1960 = 100)	100	125	..	145	..

50. The three price indices which are recorded and which refer to wholesale prices and to European and African consumption indicate that prices have been rising at an annual rate of 6 percent per year since 1960. The rate of inflation has been highest for food and clothing.

V. PUBLIC FINANCE

A. Budgetary System

51. The CAR has a centralized system of public finance. The central government budget includes expenditures of the municipalities and the operations of some of the public corporations. Most of foreign aid expenditures are outside the budget: Caisse Centrale, FAC and FED capital aid, technical assistance, and the cotton productivity program expenditures are accounted for separately. However, some FAC subsidies earmarked for the government investment budget are in effect available to finance the overall public deficit. These subsidies were ended in 1967. The financial year is the same as the calendar year, but budget accounts are kept open until March 31 of the following year.

52. The cotton and coffee stabilization funds are outside the budget, as are the pension funds and the public electricity company, while the Post Office, including its checking and savings accounts, has been included in the budget since 1965. All public transactions pass through the Treasury, which may draw on balances held with it by public agencies to finance its overall cash deficit. (See Table VIII below).

B. Overall Budgetary Operations

53. Table VII shows the overall budgetary accounts from 1960 to 1967, and budget estimates for 1968. The 1967 figures do not include operations made in the complementary period during January - March 1968. The final current revenue and expenditure figures may be 10 to 15 percent higher than those shown. No Government investment was recorded in calendar 1967, and it is not yet known what was carried out during the complementary period.

54. The current budget went into deficit in 1961 and remained so up to 1965. During this period, current expenditures rose by nearly 25 percent a year, while receipts rose by nearly 20 percent a year. Subsequently, the situation improved somewhat. Revenues rose sharply in 1966, and a current surplus was achieved, but this disappeared again in 1967, and a current deficit of CFAF 600 million is anticipated in the 1968 budget; this is partly due to a sharp increase in debt service, arising from a number of new suppliers' credits.

Table VII: OVERALL BUDGETARY ACCOUNTS
(billion CFA francs)

	1961	1962	1963	1964	1965	1966	1967[b]	1968[c]
Current receipts[a]	3.9	4.5	5.3	6.6	7.7	8.7	8.0	9.6
Current expenditures[a]	3.4	5.0	5.3	6.5	8.1	7.9	8.1	9.8
Balance before debt service	0.5	- 0.5	-	+ 0.1	- 0.4	+ 0.8	- 0.1	- 0.2
Debt service	0.3	0.1	0.2	0.1	0.1	0.1	0.1	0.4
Balance after debt service	0.2	- 0.6	- 0.2	-	- 0.5	+ 0.7	- 0.2	- 0.6
Government investment	0.3	0.4	0.8	0.3	1.4	0.6	-	0.3
Overall balance	- 0.1	- 1.0	- 1.0	- 0.3	- 1.9	+ 0.1	- 0.2	- 0.9

a/ Including transfers to municipal budgets.
b/ Excluding January - March complementary period of following year.
c/ Budget figures.

NOTE: Differences due to rounding.

55. A certain amount of investment is carried out on the Government budget, although the amount is quite variable from year to year, depending very much on the available external finance. Between 1961 and 1965 the average was about CFAF 600 million a year, reaching CFAF 1,400 million in the latter year. This resulted in substantial overall deficits averaging CFAF 900 million a year, and reaching a peak of CFAF 1,900 million in 1965. In 1966 Government investment was approximately equivalent to current savings in that year. Investment was probably very small in 1967. The 1968 budget allows for CFAF 300 million investment, which would again lead to a large overall deficit.

56. Table VIII below presents the available data showing how the CAR Treasury financed its cash deficit during this period. Up to 1964, the most important element was the French budgetary subsidy. This declined in 1965 and 1966, to be discontinued, as planned, thereafter. A CFAF 500 million loan from the Peoples' Republic of China helped finance the exceptional deficit in 1965. The CAR treasury's balances held with the French treasury were reduced by CFAF 700 million as well. The main source of domestic financing has been from local borrowing; the treasury's deposits with local banks have also been reduced.

Table VIII: FINANCING OPERATIONS
(billion CFA francs)

	1961	1962	1963	1964	1965	1966	1967[a]	1968
External Financing	0.4	0.7	0.5	0.4	1.4	- 0.1	0.4	..
of which: Subsidies	0.3	0.6	0.5	0.4	0.2	0.1	-	-
Borrowing	0.1	0.1	-	-	0.5	0.1	0.05	..
Net change in external assets [b]	..	..	..	..	0.7	- 0.3	0.4	..
Domestic Financing	- 0.3	0.3	0.5	- 0.1	0.6	0.2	0.2	..
of which:								
Changes in net claims on banking system [b]	..	..	..	..	0.3	0.4	0.2	-
Borrowing	-	0.7	0.5	-	0.2	0.1	-	..
Changes in Treasury balances	- 0.3	- 0.4	-	- 0.1	0.1	- 0.2	-	..
Total financing	+ 0.1	+ 1.0	+ 1.0	+ 0.3	+ 1.9	- 0.1	+ 0.2	..

a/ Excluding complementary period.
b/ Included in changes in treasury balances up to 1964.

NOTE: Differences due to rounding.

57. Although the Government has realized some savings in certain years, taking the period 1961 - 67 as a whole, there has been a cumulative current deficit of some CFAF 700 million. The largest deficits were incurred prior to 1966. In spite of this, there has been some Government investment, but this has been financed, together with the current deficit, by drawing on other local and foreign resources.

58. The French Government has been able to eliminate direct budget subsidies, but it has continued to defray the cost of technical assistance in education and health and, until 1967, the cost of French troops. Thus, in effect, it has paid for current public services, which normally would be chargeable to the budget.

C. Government Revenues

59. The composition of current revenue is shown in Table IX below. Since independence, revenues have more than doubled, showing an average rate of growth of 13 percent between 1961 and 1967. However, most of the growth had been achieved by 1965. In 1967 total receipts were CFAF 8.0 billion or about 25 percent of estimated monetary GDP. This ratio has been declining since 1965 when it was about 27 percent, but the 1968 budget implies a further increase.

Table IX: COMPOSITION OF GOVERNMENT CURRENT RECEIPTS
(billion CFA francs)

	1961	1962	1963	1964	1965	1966	1967[a/]	1968[a/]
Total receipts	3.9	4.5	5.3	6.6	7.7	8.7	8.0	8.9
				(per cent)				
	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Fiscal receipts	92	86	85	85	86	88	86	93
of which:								
Direct	23	16	18	24	26	25	24	23
Indirect	69	70	67	61	60	63	62	70
Non-fiscal receipts	8	14	15	15	14	12	14	7

a/ Budget figures.

Source: Appendix II, Table 20.

NOTE: Differences due to rounding.

60. There are three direct taxes: the head tax, income tax and property tax. The former is a flat rate of CFAF 1,230 per adult, plus a variable levy of CFAF 400 to CFAF 2,000, depending on the area of residence. Income tax is

levied on people earning more than CFAF 180,000 per year at a rate of 5 percent. A 20 percent rate was imposed in 1965, but it was subsequently reduced following protests. A separate progressive tax is payable by people earning less than the CFAF 180,000 level at which the liability for regular income taxes starts. The introduction of this tax in 1962 contributed to the growth of revenue in that year. The rate of property tax is now 27.5 percent of estimated rental value. Direct taxes account for about 20 percent of total revenues.

61. The main indirect taxes are those on foreign trade. Import taxes are collected at the point of entry to the UDEAC customs union, and then transferred to the country of destination. This arrangement results in loss of revenue to the two landlocked partners to the extent that goods destined to the coastal members are re-exported to Chad and CAR. To offset this, all members of the union contribute to a "solidarity fund" which is distributed between Chad (65 percent) and the CAR (35 percent). The fund is made up from pre-determined amounts withheld by the UDEAC authorities from each country's import duties. In 1967 Cameroon and Congo (B) contributed CFAF 500 million each, Chad and CAR contributed CFAF 300 million each, and Gabon CFAF 200 million. The importance of this fund appears to be declining as a source of revenue. Net receipts for CAR reached a peak of CFAF 464 million in 1965, but have declined to about CFAF 300 million in 1967 and 1968. The future of this fund is problematic until Chad's relationship with UDEAC is clarified.

62. Taxes on imports include customs duties (droit de douane) from which imports from EEC and OAMCE countries are exempt, fiscal import duties (droit fiscal d'entrée), the import turnover tax and the complementary tax (up to 40 percent on specific consumer goods). The turnover tax was increased from 7 to 10 percent in 1962. Harmonization of the taxation of imports is an important part of the UDEAC agreement.

63. Except for the complementary tax, all taxes on imports are now the same for all members of UDEAC, and may only be changed by the UDEAC authorities. The complementary tax, which can be determined within certain limits by the individual member Governments, was introduced at the creation of UDEAC in order to give them some freedom of action in this field.

64. The main export taxes are on diamonds (15.5 percent), coffee (10.25 - 12.25 percent) and timber (CFAF 105 - 210 per cubic meter). Cotton exports are taxed at a rate of only 3.5 percent. In addition, the taxe unique is levied on goods manufactured within UDEAC and destined for sale in other member countries. Since it is levied instead of a variety of other taxes which in the aggregate are more onerous, it is equivalent to a special concessional tax régime. The tax is collected from the manufacturer, ex-factory, and distributed to member countries on the basis of declared destinations.

D. Government Expenditure

65. Table X shows the growth and composition of government current expenditures since 1961. Total expenditures have risen by an average rate of 14 percent a year between 1961 and 1967. The main element leading to this growth has been the increase in expenditures on social services and particu-

larly on education, which accounted for nearly 20 percent of total expenditures in the 1967 budget. Expenditures on general services rose very rapidly up to 1965, when they represented 46 percent of the total budget, but they have been reduced since then. Apart from administration, this item includes defense and security expenditures which have accounted for 13 - 14 percent of the budget in recent years. These expenditures are high compared with the small amounts allocated to the economic services - particularly agriculture (4 percent) and road maintenance (6 percent).

Table X: COMPOSITION OF GOVERNMENT CURRENT EXPENDITURE
(billion CFA francs)

	1961	1962	1963	1964	1965	1966[b/]	1967[a/]	1968[a/]
Total expenditure	3.7	5.1	5.5	6.6	8.2	8.0	8.2	9.5
				(per cent)				
	100	100	100	100	100	100	100	100
General services	36	42	43	44	44	39	32	33
Economic services	11	14	13	14	10	10	18	18
Social services	21	19	25	25	26	26	29	28
Miscellaneous	25	22	14	15	18	24	20	17
Debt service	7	3	4	2	1	1	2	4

a/ Budget figures.
b/ Preliminary.

Source: Appendix II, Table 21.

NOTE: Differences due to rounding.

E. Fiscal Performance

66. The main conclusion that can be drawn from the evolution of public finance is that while the CAR government, particularly before the 1966 coup, has made a vigorous effort to increase public revenues, current expenditures have risen just as rapidly and public savings have been negligible, and in most years negative. Nevertheless, the tax burden may well have been increased more rapidly than was wise. Several attempts to increase taxes have met with unusually strong resistance. Furthermore, the attempt by the previous régime to mobilize CFAF 2 billion through a forced loan was dropped by the military government because of widespread opposition, particularly from cotton growers. For similar reasons, the rate of social security contribution was reduced from 20 to 8 percent in 1966.

67. In spite of the increase in revenues, the current budget surplus has been, on average, nearly zero. Although some public entities outside the budget may have made small surpluses in some years, these have not been large enough to make a significant contribution to savings.

68. Possibilities for increasing public savings appear very limited. Taxation is already high, and the growth of exports will probably be modest, and in any case cannot be heavily taxed, or production will be unduly discouraged.

69. The taxation of diamonds presents a special problem for which there is no obvious solution. As the main export, and a wasting asset, diamonds should provide as much revenue as possible over the years immediately ahead. However, the increase in the export tax from 10.5 to 15.5 percent in 1967 has been partly offset by an increase in smuggling. Since there is a lot of artisanal production, and the frontiers cannot be controlled, it is impossible to regulate this trade, particularly as the rate of tax in Congo (D) is only 3 percent, affording a strong incentive to smuggle the gems out of the country.

70. Imports will not provide a large source of additional revenue either. Some more high protective duties may be introduced, but mainly to reduce imports rather than raise revenue. The extension of the favorable taxe unique to domestic enterprises will also tend to reduce the indirect tax base.

71. While the Government clearly has little room for maneuver on the revenue side, the composition, if not the level, of current expenditure could be improved. Expenditure in some of the less productive sectors could be reduced, as was done in 1966, but this should be offset by increases in the budgets of the agricultural services and for road maintenance, and the effect on total expenditure would not be very great. New debt service obligations will have to be controlled strictly in the future, and further investments in education and the social services will have to be carefully considered with reference to their impact on recurrent costs. Even if one is optimistic about the Government's ability to improve the structure of current expenditure, it is difficult to foresee it being able to make any savings on the budget in the next few years.

VI. INVESTMENT AND ITS FINANCING

A. Investment

72. Available estimates indicate that investment rose from CFAF 6.1 billion in 1961 to CFAF 7.6 billion in 1965. In 1967, monetary investment carried out under the four-year plan, and including some recurrent development expenditure, amounted to CFAF 6.4 billion, which corresponds to about CFAF 8.4 billion total investment when account is taken of about CFAF 2 billion representing the imputed value of clearing and laying out of new cotton fields each year. Investment in the monetary sector has been roughly equally divided between the public and the private sector. The rate of investment, which has been rising gradually, was 19 percent of GDP in 1965, and probably has changed little since then.

73. Table XI below shows the estimated distribution of investment between the public and private sectors, and the main sources of public investment. Public savings have financed only a very small portion of government investment. Up to 1966, government received a budget subsidy from France, and some resources have been obtained by borrowing abroad. In the years 1965-68, domestic borrowing and Treasury operations permitted the government to finance a deficit by drawing on balances it had built up in the past and by utilizing the surpluses of public entities.

Table XI: INVESTMENT
(billion CFA francs)

	1961	1962	1963	1964	1965	1967
Domestic investment a/	6.1	6.6	6.4	7.2	7.6	8.4
Private investment b/	4.3	5.2	4.5	4.5	4.4	5.2
Public investment	1.8	1.4	1.9	2.7	3.2	3.4 c/
of which:						
Development budget	0.3	0.4	0.8	0.9	2.0	..
Extra budgetary	1.5	1.0	1.1	1.8	1.2	..

a/ Including stock changes.
b/ Including about CFAF 2 billion a year non-monetary investment in agriculture.
c/ Including an unknown amount of recurrent development expenditure.

B. Sources of Finance

74. FED and FAC are the two main sources of foreign aid for capital investment outside the budget. FAC appears to be concerned principally with agriculture and infrastructure (mainly transport) investments, and FED mostly with agriculture and education. The composition of government investment is known in more detail. The main regular items are transport (CFAF 100 -

300 million a year) and construction (CFAF 100 - 400 million a year); industry and mining were substantial in 1965. (See Appendix II, Tables 22, 25 and 26).

75. In macro-economic terms, the 1961 and 1965 national accounts and balance of payments estimates show that 90 to 95 percent of the financing of all investment came from abroad. As far as public investment is concerned, this corresponds with what has been observed above (Tables VIII and XI). Prior to 1967, there was no large private capital inflow, and since subsistence investment is necessarily financed from national savings, it appears that while the private sector as a whole has benefited from a net inflow of external resources, a large part of this has been in the form of subventions for consumption expenditures (government pensions and salaries), and private monetary investment has therefore been directly financed very largely from savings made within the economy.

Table XII: FINANCING OF INVESTMENT
(billion CFA francs)

	1961	1964	1965
Domestic investment	6.1	7.2	7.6
National savings	0.3	0.9	1.5
Domestic savings	(3.7)	(4.5)	(2.9)
Net factor payments	(-3.4)	(-3.6)	(-1.4)
External financing	5.8	6.3	6.1
Transfers	(6.3)	(5.9)	(2.5)
Other capital inflow (net)	..	(-0.7)	(2.8)
Net change in external assets	..	(1.1)	(0.8)

VII. ECONOMIC PROSPECTS

A. The Four-Year Plan

76. Within the constraints on economic development described in Chapter II, the growth of the CAR economy will depend on a higher level of productive development expenditures. Not all such outlays should be for investment per se; many should be of a recurrent nature, particularly in agriculture and road maintenance.

77. A Four-Year Plan has been prepared for the years 1967-1970. The Plan projects an annual growth rate of real per capita incomes of 4 percent, and total Plan investment 1/ of CFAF 36.9 billion over the four years. This Plan was preceded by several interim short-term plans which fell short of the goals, due to lack of resources and limited absorptive capacity.

78. The highest priority has been given to rural development, urban improvements and education. For the latter, stress is placed on adapting primary education to the needs of the rural community, the rapid training of professional staff, and re-training programs. The Plan hopes that higher rural incomes will increase the market for local products, leading to fuller utilization of industrial capacity and a wider tax base.

79. Table XIII below shows the distribution of Plan expenditure between the different sectors, and the composition of expenditure carried out in 1967. Nearly 80 percent of Plan expenditure is in the public sector, concentrated in agriculture, transport, technical training, housing and urban development. Private investment is expected to play its main role in industry, mining and forestry. Out of total expenditures of CFAF 36.9 billion, CFAF 28.3 billion would be made in the public sector and CFAF 8.6 billion in the private sector. The latter figure appears to be quite reasonable, even modest, compared with private monetary investment figures in the past, and the fact that private investment in 1967, the first year covered by the Plan, reached CFAF 3.2 billion. This high figure was due to the completion of a textile mill, and it may be difficult to maintain private investment at this level in subsequent years. The Government participation in the same project gave rise to a large public industrial investment in 1967 as well.

1/ Excluding non-monetary investment in agriculture.

Table XIII: THE FOUR-YEAR PLAN
(billion CFA francs)

	Planned for 1967-70	Implemented in 1967	
		Amount	% of Total Plan
Total Plan Investment	36.9	6.4	17%
Productive Sectors	14.7	4.4	30%
of which:			
Agriculture and rural development	6.6	0.8	12%
Industry	6.2	3.6	58%
Mining	1.9	-	-
Transport and Communications	5.3	1.1	21%
Power	0.5	0.03	6%
Commerce and Tourism	1.2	0.1	9%
Social Investments	11.3	0.7	6%
of which:			
Education	2.6	0.2	8%
Public Health	0.8	0.04	5%
Housing and Urban Development	7.1	0.1	1%
Other	0.8	0.4	50%
Studies and Research	3.3	0.3	9%
Debt Service	0.6	0.1	17%

Source: Appendix II, Tables 23 and 24.

80. Plan estimates of public development expenditure include some recurrent outlays, part of which are on continuing programs such as the cotton and coffee productivity programs. There is also a large item included for studies and research. It is consequently difficult to assess the feasibility of the Plan by comparing the level of investment in previous years. The initial results for 1967 are, however, disappointing. Only about 12 percent of planned public expenditure was realized that year, so that the Plan fell irretrievably behind schedule. The largest shortfalls were in agriculture, transport and technical training, sectors which were to receive greater attention. Assuming that the main elements of recurrent expenditure will be carried out (the studies and part of the agriculture and transport items), a shortfall of about 25 percent in public investment is probably to be expected. It is therefore unlikely that the target growth rate will be achieved.

81. Although Plan expenditures are fairly well conceived and more or less in line with economic priorities, they appear to be too large, particularly in view of the very limited execution in 1967. The Government and aid sources will have to postpone some of the investments because of the scarcity of resources. Rather than scale down all categories of investment, it would be preferable to concentrate the cuts on those sectors which would least affect the growth of GDP. The only large item where such cuts could be made is the provision for housing and urban development. The effect of this would be to postpone needed improvements in Bangui, the capital. With luck, the shortfall in public investment may, to some extent, be offset by a higher rate of private investment.

B. Public Savings and Foreign Aid

82. As was pointed out above (paragraph 57), the CAR government has not been able to make a significant contribution to the financing of public investment during the past few years. Available budgetary data indicates that this did not change in 1967 and 1968, and it can be safely assumed that this situation will continue at least through 1970. A large part of recurrent developmental expenditures are also financed by foreign aid. The realization of public Plan expenditures therefore depends very much on the size of the resources provided by the foreign aid agencies.

83. Prospects in this respect are not encouraging. Disbursements of FED aid have been declining since 1965, and are probably unlikely to rise pending the creation of the third Fund. French aid, the largest source, appears to be stable at about CFAF 2.5 billion a year. Phasing out of the budget subsidy has been offset by higher technical assistance outlays rather than increased capital grants. Two other significant sources in the past are now drying up; the United States is not starting any new programs in CAR, and the Peoples' Republic of China is unlikely to make another loan as it did to the previous government in 1965.

84. While IDA proposes to lend for a small road project in the near future, and further road projects are being prepared, the amount involved is not very great, and clearly will not have any direct effect on development expenditures in agriculture during the Plan period, where the shortfall may be greatest in absolute terms. While a detailed assessment of the prospects of financing the Plan is not possible within the limitations of existing information, particularly since the basis for the Plan's own projections is none too clear, the fact that the short-term prospects for both public savings and foreign aid are worse now than they appeared to be when the Plan was prepared, strongly suggests that a shortfall is to be expected.

C. Longer Term Prospects

85. To the extent to which necessary cuts in the Plan are concentrated on the less productive sectors, the effect on the long-term growth rate of output may be limited. For the next two or three years, the main factor affecting growth should be the continued increase in cotton production.

Output is expected to rise by 10 percent a year, but prices may fall by about 2 percent annually. Further developments in agriculture will depend on diversification. Pepper, cocoa, tobacco and kola nuts are understood to be potentially promising crops. Coffee exports are expected to grow by only 3 to 4 percent annually with stable prices.

86. The south-western area of the country has one of the richest remaining forestry reserves in tropical Africa. Estimated exploitable stands are equivalent to 40 cubic meters per hectare, or about four times the typical average. So far, output has been largely limited to the local market, but it has been growing quite rapidly. In 1966, production was 175,000 cubic meters. Transport in the area is getting better, the navigability of the Sangha and Lobaye rivers is being improved, and part of this area will be within economic access of an eventual railway to Yakadouma in Cameroon. The road from Bangui to M'Baiki which has been proposed for IDA financing would also improve access to the eastern edge of this area. A number of new concessions have recently been awarded in the area, and it is expected that output should rise to some 500,000 cubic meters by 1972-73.

87. Export prospects for diamonds appear rather favorable, especially if the recent increase in production continues. The international Central Selling Organization can be relied on to keep prices in line with the general increase in world prices. Although industrial stones may come under competition from synthetics, prices of gem-stones are likely to rise. The development of the uranium deposits at Bakouma, and the creation of a 500-ton capacity factory in 1972 appear to be assured under a recent agreement with a French company.

88. The indications are that exports as a whole may rise by 8 - 9 percent a year over the next few years, assuming continued growth in diamond production. Imports of consumer goods may be reduced progressively through substitution of local manufactures, but the small size of the prospective market suggests that this will not go as far as it might in larger neighboring countries. Of course, the level of imports as a whole will continue to be very sensitive to changes in economic activity, and particularly to changes in the level of investment.

D. Terms of Lending

89. The burden of debt service on the government budget should be kept within narrow bounds, particularly as there is no assurance that the CAR will be able to make any public savings in the future. The ratio of debt service to current receipts was a modest 2 percent in 1967, but rose to 5 percent on the 1968 budget as a result of suppliers' credits. The proportion of receipts allocated to debt service would be very sensitive to further borrowing on hard terms, which should accordingly be avoided.

90. In terms of the balance of payments, the debt service problem is unlikely to become acute. The ratio of 1968 debt service to foreign exchange earnings in 1967 is 4.7 percent. Service on existing debt will rise to a peak in 1970. (See Appendix II, Tables 1 and 2). As long as the CFA franc retains the convertibility guarantee now assured by the French Treasury, there should be no problem obtaining the necessary foreign exchange to service debt.

91. The CAR should not be regarded as creditworthy for Bank lending because of the very low public savings which can be expected in the future. This is a reflection of the poverty of the country and the small tax base. To limit the future impact of debt service on the budget, the forthcoming transport projects should be financed by IDA.

92. The lack of public savings at the present time means that the CAR is unable, in the aggregate, to make a significant contribution to financing its development program.

APPENDIX I - SECTORAL DEVELOPMENTS

Agriculture

1. Agriculture, including forestry and livestock raising, is the most important economic activity, occupying about 80 percent of the population. From about 1958 - 1960 onward to 1965, there was a generally evident stagnation in agriculture. Cotton production actually fell, while oilseed production showed wide variations in output but no real growth. World price trends diminished incentives especially for cotton producers. Other factors also affected agricultural output adversely. The most energetic young people left the farms in search of work in the cities, mainly Bangui, while perhaps 40,000 farmers, mainly from the coffee and palm-oil areas, shifted to diamond mining. The political and administrative authorities also appear to have failed to give agriculture the attention it requires. Extension activities were unsuccessful, and some politicians actively discouraged cotton cultivation as a remnant of "imperialism".

2. Four-fifths of agricultural output is in the subsistence sector where production appears to have grown more slowly than population. Manioc is the staple food in most of the country except in the northern areas where sorghum and maize are preferred. Groundnuts and rice are other basis subsistence crops. The traditional foods are in short supply in the urban and diamond-mining centers where demand has grown rapidly. In the latter, prices for manioc increased by as much as 100 percent during the diamond boom - roughly the early '60's. Market-gardening near the cities, especially Bangui, has been insufficiently developed so that prices for vegetables and fruit also remain high. Supplies to oil and rice mills have been insufficient to keep them adequately employed.

3. Agricultural crops are grown in two main zones, the savannah areas in the center and north, and the forest areas in the south: there are good soils in the savannah area, but these are generally scattered and not in large blocks. Holdings are numerous, widely dispersed, and generally have not had more than one hectare under cultivation. Until recently, the use of animal draft power was restricted by trypanosomiasis, and of mechanical cultivation by high costs. Yields were extremely low, 250 kg. per hectare for cotton, 750 kg. for groundnuts and 250 kg. for sesame.

4. The typical farming unit has consisted of three fields, not contiguous, farmed by a man and his wife equipped only with a few hoes, one or two machetes and perhaps an axe - with a total value of some CFAF 600 ($2.40). For 1965/66 it was estimated that annual income was typically around CFAF 20,000 ($80), of which monetary income was perhaps only CFAF 4,000 ($16). In recent years, however, cotton farmers have been able to increase their gross cash income considerably - from an estimated average of CFAF 3,295 in 1965/66 to CFAF 7,905 in 1967/68. 1/

1/ The subsidized cost of fertilizer, insecticide and seed is deducted from the payment to the farmer, so his increase in net income has been slightly smaller than that in gross income.

5. Medium staple cotton is grown on about 125,000 hectares and perhaps 164,000 holdings in the savannah areas in the central and northern parts of the CAR. Counting women, probably about 250,000 farmers are involved in the cultivation of this crop. Cotton was first introduced in the late 1920's and a certain amount of coercion and discipline was applied to ensure its cultivation. Whenever discipline was relaxed, as in the mid-1950's and after independence, cotton output fell. There was a steady decline in output from a peak of 43,600 tons of seed cotton in 1958/59 to 24,500 tons in 1965/66. After the poor 1965/66 crop, the new government launched a strong and successful campaign to encourage renewed interest in cotton cultivation. As a result, the area planted increased once more, and yields rose substantially. Two bumper crops of 40,000 tons in 1966/67 and 48,000 tons in 1967/68 were achieved; and there is now a reasonable prospect of attaining 49,000 tons in 1968/69 and 60,000 tons in 1969/70.

"Opération Bokassa"

6. This rather dramatic renewal was achieved by a combination of factors:

a) the pioneer work, financed by FAC, FED and USAID to promote the dissemination of better seed and the adoption of animal- and tractor-drawn implements;

b) the productivity and diversification program supported by FED to compensate the CAR and other Associated countries for the loss of price supports in France. Under this program, almost CFAF 1 billion has been provided for pesticides and fertilizer, of which the price to farmers has been subsidized by 60 percent. (See Appendix II, Table 7);

c) the organization of an agricultural extension service that has been more effective in ensuring timely planting, insecticidal treatment and harvesting of cotton; and

d) a program for re-grouping farms in blocks of 20 to 150 hectares each, in such a way as to permit better supervision by extension agents, and more efficient provision of insecticides and fertilizers, as well as transport of the crop. Cultivation of cotton on isolated plots was actually forbidden.

7. Although this program included an element of compulsion, it was generally well received, because the farmers' work burden was alleviated by the use of modern implements and the use of new inputs

was subsidized. In 1967 government tractor services cleared 630 hectares for villagers, and cleared, ploughed and harrowed a further 755 hectares.1/ For 1968 the areas benefiting from such measures were expected to be about 900 and 1,600 hectares respectively. For half the area cleared, peasants also received trypanosomiasis-resistant oxen, the cost of which was to be repaid over a period. Although some subsidies for insecticides and fertilizer had been provided since 1959, no more than 2,700 tons of either had been distributed in any year until 1967, when distribution jumped to 18,505 tons and 8,668 tons respectively.

Yield per Hectare Planted to Cotton

	All CAR, 1964	Pilot region in Ouaka 1966
	(kilos)	
Average, 1960-66	250	493
Traditional culture, but with insecticide	700	937
Traditional culture, but with insecticide and fertilizer	900	1,156
Manual clearing, tractor ploughing, and fertilizer	n.a.	1,028
Mechanical clearing and ploughing	n.a.	1,138
Culture with oxen	n.a.	1,500

8. The potential increase in yields from the application of these new methods is illustrated in the above table which compares yields and inputs in all of CAR for the year 1964 with those for the "pilot region" of the cotton campaign in 1966. For the country as a whole, average yields, though still far from those potentially realizable, improved considerably, from 223 kilos in 1965-66 to 316 in 1966-67 and 391 in 1967-68. The objective for 1970 is 480 kilos and appears to be attainable. It is not intended to increase total acreage. Some unsuitable areas have actually been excluded from the cotton-growing program, and efforts are being concentrated on two prefectures, Ouaka and Kemo, where 90 percent of the farmers grow cotton, and where yields per hectare in the 1967-68 season were 525 and 593 kg. respectively.

9. The most interesting development of Opération Bokassa is the rise in the net incomes of those who participate in it. Net income per

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1/ In addition, fully mechanized farms previously run by the cooperatives were extended in 1967 to 1,453 hectares.

farm where pesticides and fertilizer were used totaled CFAF 20,800 in 1964/65, as compared with an average of 6,750 francs (=$27) for CAR as a whole. For 1967-68, the use of pesticides and fertilizer was estimated to have yielded an increase in net income of CFAF 9,575. The benefits from the use of new implements have also been considerable. In 1965, for example, it was estimated that a farmer using oxen could realize a net return of about CFAF 13,000 in the first year and CFAF 41,000 in the second or third year. The 2,000 families who had fully mechanized farms were reported to have had a gross income of 60,000 francs, but in this case, it should be noted that half the cost of mechanization was subsidized by the government. Owing to the foreign exchange cost involved in the use of tractor-drawn implements, the government prefers to encourage animal traction. However, only 2,000 families used oxen in 1967.

10. Cotton ginning and marketing is in the hands of the Central Africa Cotton Union (UCCA) in which two French companies whose equipment was taken over by the government have a 60 percent interest, and the government 40 percent. The UCCA is under French management. A Cotton Stabilization Fund has existed since 1964, succeeding a previous joint fund with Chad. The government guarantees ex-farm prices, which have remained fixed for several years, at a level of 28 francs per kilo for white cotton (80 percent of the crop) and of 22 francs for yellow cotton. France historically subsidized cotton prices. After the treaty of Yaoundé (convention of association with EEC) the European Development Fund undertook to support the price for a limited period, spending CFAF 678 million for this purpose (against 690 million planned), and also to sponsor a program for raising yields for which CFAF 261 million was originally provided but on which CFAF 348 million was actually spent. The convention is due for renegotiation in 1969.

11. Existing ginning capacity is sufficient for an output of 60,000 tons of raw cotton, though much of the equipment will shortly need to be replaced. Higher output and the rationalization of transport carried out in 1965, has reduced the f.o.b. unit cost of ginned cotton per kilogram from CFAF 152.1 in 1963/64 to CFAF 133 in 1967/68 (i.e. from US 28 cts per lb. to 24.4 cts per lb.). As a result CAR cotton became fully competitive on the world market and for the first time in 1967/68 required no subsidy from the Economic Development Fund or any other source. (See Table 6). Export prices received by the CAR were slightly better than in the previous year, partly due to the improved quality (longer staple) of CAR cotton.

12. Groundnuts are an important part of the diet, providing proteins in an inexpensive form. Estimates of output, which are very rough, indicate little growth in recent years. A very small share of the annual crop is processed for oil. During years of low output groundnuts are imported. Even during good years very little was exported, notwithstanding a preferential price in the French market before 1964. The Stabilization

Fund for Central African Products which was created in 1964 to administer price supports, intervened only once to increase the price from CFAF 22/kg to 26/kg in 1967-68. Groundnuts follow cotton in the rotation and the increase in the cotton crop in 1967 was followed by a rise in the groundnut harvest in 1968 (60,000 tons to 74,000 tons).

13. Other savannah zone crops include sorghum and maize which are of relatively small importance commercially, though in the sparsely populated areas they provide a substantial share of the food supply.

14. Robusta coffee is the main agricultural product in the forest zone. Coffee rivals cotton as an export crop. The quantities involved are small in terms of the world market. Prior to independence, foreign planters were the major producers. Their share has declined to about half of the planted area; the other half is accounted for by African smallholders. Total area in coffee is about 28,000 hectares. Generally, the foreign-owned plantations still give higher yields. Output has varied greatly over the years, primarily with the weather. A coffee productivity program financed by the European Development Fund was begun in 1963/64 and has entailed the expenditure of CFAF 299 million over five years. (See Table 9). The program aims primarily at the supply of insecticides, fertilizer, and equipment, as well as supervisory staff. Average yields over a period of years indicate some increase in yield; 353 kg/ha for 1963 to 1967 compared with 225 kg/ha for the period 1960 to 1963. A target output of 16,000 tons was set for the program, but in the past two years less than 10,000 tons has been achieved. However, an output of 12,000 to 13,000 tons is expected for 1968.

15. Coffee is marketed in two ways: by cooperatives for smallholders, and directly by the plantations which are generally owned by trading companies. The CAR received an increased quota of 12,000 tons for 1968/69 under the new International Coffee Agreement as compared with one of 9,000 under the 1962 Agreement. Coffee prices are fixed at the beginning of the season by a Committee headed by the director of the Coffee Stabilization Fund.

16. Other forest zone crops include rubber, palm kernels, cocoa and pepper. Rubber output is limited to one plantation and cocoa and pepper production is in an introductory and experimental phase. Palm oil and palm nut production from wild palm stands has not increased and output can only be increased through plantings with new and higher yielding varieties. Other new crops have been successfully introduced on a small scale: tobacco, paddy, rauwolfia, and kola nuts. Tobacco is grown for local consumption and export to Chad, and it is hoped that roselle will provide raw fiber for sacking as a substitute for jute.

Livestock

17. In the past, the prevalence of the tsetse fly, except in the west near Cameroon and an area near Bambari in the center of the country, has made conditions unfavorable for cattle raising. About 5,000 nomadic

herdsmen are the most important owners of cattle, and subsistence farmers own most of the small stock, including poultry, goats, pigs and some sheep. Estimates indicate that the number of livestock increased over the years 1964-67. (See Table 11)

18. In the recent past, efforts have been made to import and build up trypanosomiasis-resistant herds for use as draft animals in selected zones. Over 8,000 head of breeding stock have been imported, and their number is growing rapidly since there are restrictions on their slaughter for meat. In 1966, the European Development Fund approved a program to eradicate the tsetse fly in a 150,000 hectare area near Bambari. The program, which will cost CFAF 2 billion over five years, also includes the construction of villages and facilities to encourage the settlement of nomadic herdsmen. Beef consumption is increasing rapidly especially in the towns. More than 50 percent of the demand is met by imports from Chad which were valued at CFAF 520 million in 1966 compared to consumption of local beef worth CFAF 430 million.

Forestry

19. Although CAR has one of the richest remaining timber areas in Africa, it is only just beginning to exploit this resource. The varieties are of excellent quality, especially ayous and sapelli. The density of the forests and the easy terrain make for inexpensive felling and lumbering operations. The forest areas lie in the southern and western part of the country but their exploitation has been handicapped by distance and by lack of suitable means of export. Over 90 percent of the timber now cut is for local consumption or export to Chad. Exports, mainly of logs, to non UDEAC countries go by the Oubangui River (or by the Lobaye River to the Oubangui River) and thence by the Congo River to Brazzaville and by rail from Brazzaville to Pointe Noire. Timber output is increasing fairly rapidly; 175,000 m^3 were cut in 1966 compared with an average of 110,000 m^3 for 1960-62, a growth of over 12 percent per year. (See Table 10) However, this compares with a potential of at least 600,000 m^3 annually from areas already surveyed. Output at that level could be sustained on the basis of a 30-year cycle.

20. With the signing of contracts with Ets. Leroy for a concession near Mbaiki and with the firm S.C.A.C. in Haute-Sangha, and a prospective concession to a German company in Haute-Sangha, the CAR now expects to reach an output rate of 500,000 m^3 in four or five years.

Industry

21. The manufacturing sector has started only recently in CAR, and prospects are limited. The size of the national market is too small compared to the minimum economic capacity of manufacturing plants for many goods. Geographic isolation and high transport costs put a heavy burden on the cost of imported inputs and exports of finished products.

Finally, skilled manpower and managerial capabilities are in short supply. On the other hand, the geographical isolation of CAR and Chad results in a natural protection for those local industries supplying certain types of consumer goods such as beverages and building materials. Processing for export is confined to a few products of the extractive industries such as timber, cotton and diamonds. Table 11 provides some statistical indicators of the development of industrial production over the last ten years. 1/ The output of beverages, soap, vegetable oils and footweat has increased considerably.

22. Legislation encouraging the establishment of industrial enterprises has been passed recently; this provided for an investment code, special fiscal concessions (the taxe unique), and authorization for government participation in certain types of industrial enterprises. The investment code accords medium- and long-term relief from taxes for the purpose of attracting foreign investment. Privileges include reduction of import duties on equipment goods and raw materials, exemption from turnover taxes, and other fiscal advantages, including a stabilization clause which guarantees that no new taxes will be levied on the enterprise during a fixed period (up to 25 years in exceptional cases). The taxe unique is a special fiscal privilege which can be granted either separately or in connection with investment code provisions. The tax is applied when the product leaves the factory, and it replaces all other indirect taxes (including import duties which would be otherwise levied on raw materials). The taxe unique is kept lower than the import duties for a similar imported product, so that it results in a sizable degree of protection for local industries.

23. The total output for the sector, subject to the taxe unique, was valued at CFAF 1.6 billion in 1965; products include cotton textiles, beer, soft drinks, garments, footwear, and cycles (assembly only). Total investments are of the order of CFAF 2 billion, and employees are about 1,000, of which around 5 percent are expatriates. Industries not affected by the taxe unique had a total output value of about CFAF 1.2 billion in 1965, and include sawmills, oil and soap factories, metal furniture, aluminum pan manufacturing, and cotton ginning.

24. Production of sawn timber was 43,500 m^3 in 1965, of which 35 percent was sold in CAR and 65 percent was exported (40 percent to Chad, 10 percent to Congo-Brazzaville, and 15 percent outside UDEAC). The sawmills, which belong to the seven main forest exploitation enterprises, are located in the Lobaye region and employ about 900 persons. Development prospects of the timber industries are good, and production of sawn timber is expected to advance from 47,000 m^3 in 1967 to 90,000 m^3 in 1970. Plywood is not manufactured in CAR at the present time, but a feasibility study for a plywood factory project is being prepared by Ets. Leroy.

25. The textile and garment manufacturing sector is expected to grow substantially in the next few years. The cotton textile company,

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1/ The organization of statistical services is very poor in CAR, so that production statistics for some industrial activities, particularly the newly established ones, are lacking.

INTEC, which is located near the Boali hydroelectric power plant and employs about 400 persons, produced 5.2 million m^2 of cotton fabric in 1966. The first stages of a new textile complex, Industrie Cotonnière Centrafricaine (ICCA) costing CFAF 2.3 billion, were completed near Bangui in 1967. It is an integrated plant with dyeing and printing facilities, and the largest industry in the CAR with 700 to 1,240 employees.[1/] Capacity output is 8.5 million m^2 of cotton fabric, 200 tons of cotton wool and 400,000 cotton blankets per year, as well as towels and medical supplies. Total value of output is estimated at CFAF 1.3 billion annually. Initial capital for the factory was provided mainly by a French industrial group, the Société du Crêpe Willot, which will also be responsible for management and is prepared to take any part of production not sold in CAR for disposal in Europe. The CAR government has a CFAF 200 million participation in the capital of CFAF 500 million, the remainder belonging to Willot. The older firm INTEC has been merged with the new company.

26. In the food and beverage sector, the production of beer and soft drinks is of primary importance. Beer output has risen from 44,000 hl in 1960 to 97,000 hl in 1967, with a total value of about CFAF 1 billion. The brewery owned by MOCAF (Motte Cordonnier d'Afrique), completed in 1967 an investment which increased its capacity to 180,000 hl. About 10 percent of production is exported to Chad.

27. There is one enterprise - SEPIA (Société d'Etude et de Production Industrielle en Afrique) - capable of assembling 12,000 bicycles and 7,200 motorized bicycles, which is primarily oriented toward export to the other UDEAC countries, since the CAR provides a market for only one third of its output.

28. Apart from the above companies which are all subsidiaries of French firms, there are three locally-based enterprises:

1. One is the German-financed oilmills and soapworks complex, SICPAD, the first stage of which was due for completion in 1968 (cost of investment CFAF 630 million). Its capacity will be 1,280 tons of edible oils (refined) and 1,545 tons of oil for soap, as well as 4,825 tons of oilcake for fodder. Of the equity, 25 percent is held by the state, 25 percent by SIAN (a Congo-Brazzaville-based company), and the rest by French and local interests.

2. The second is the publicly-owned Bangui abattoir, which, though it has a planned annual capacity of only 10,000 head, processed 27,000 animals in 1966 and is now inadequate. A new abattoir, to be financed by FAC or local banks, is planned for 1969. By 1975, when Bangui is expected to have a population of 200,000, demand is expected to be 40,000 head of cattle and 16,000 head of sheep and goats.

3. The third is Moura et Gouveia, a local company making plastic shoes and bottles. It plans to increase its output of shoes from

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1/ The sawmills employ 900, the brewery 187.

400,000 pairs in 1966 to 500,000 pairs, and from 700,000 bottles to 2 million, to meet the demand from SICPAD for oil containers. This will require an investment of CFAF 125 million.

29. There is also a primitive oil pressing industry which processes groundnuts, cotton seed, sesame seed and palm kernels. About 1 million liters of groundnut oil are produced per year. Cottonseed oil output fell from 449,000 liters in 1963 to 216,000 in 1967.

Power

30. Apart from a small plant in the town of Bouar, the only source of electric power is the Boali-Bangui system (supplying power to the city of Bangui), which is run by two companies. The power generation and transmission enterprise SEEE (Société Equatoriale d'Energie Electrique) owns the Boali hydroelectric plant and Boali-Bangui transmission line, while the public utility ENERCA (Energie Centrafricaine) is in charge of distribution in Bangui. Energy generation has increased from 8.1 million kwh in 1960 to 17.3 million in 1963 and to 28.2 million in 1967. (See Appendix II, Table 12).

31. Prices are high for a hydroelectric supply - domestic lighting costs 27 CFA francs a kwh, public lighting 20 francs, power 17 francs, and high tension power 14 francs.

32. SEEE is a private company which also operates in Chad. The majority of its shares are controlled by the French government through the Caisse Centrale de Coopération Economique. Minor shareholders are Electricité de France, the governments of CAR and Chad, local authorities, banks and private companies. The Boali hydroelectric power plant has an installed capacity of 7,000 kw. It is estimated that peak consumption may reach capacity in 1968. Existing plant allows for the addition of a fifth 1,750 kw unit, envisaged for 1968-69. The plant supplies power to a textile mill located nearby at Boali, and to Bangui through a 60 kv transmission line. SEEE is managed by French personnel.

33. ENERCA, a public agency, was created in 1963 when the government nationalized UNELCO, a French-owned private company. ENERCA has no staff; it has been managed and run since 1963 under a management contract with SEEE. ENERCA is mainly a distribution company, but it also owns the old Bangui thermal power plant which is equipped with diesel units with an effective capacity of 750 kw. This is used for standby and peak service only. While there has been no final determination of the indemnity due to UNELCO as the result of nationalization, part of the indemnity is gradually being paid by the government to UNELCO out of the operational profits of ENERCA. As a consequence, ENERCA does not yet have any internally generated funds available for future development.

34. In 1967 the government decided that ENERCA should own all the power plant, including the hydroelectric station, previously operated by SEEE. Talks have been held with Electricité de France about the means of achieving this. Meanwhile the annual profits intended for investment in the fifth 1,750 kw unit (150 million CFAF), have been taken into the state budget as current receipts from 1967 forward.

35. Demand is rising very quickly and the expected rate of growth for the next few years is about 14 percent annually. The forecasts have been prepared with an eye on the expected demand of industries now under construction or included in the development plan. In 1968, ENERCA plans to install a 3,000 kw diesel unit in the Bangui power plant and to improve the distribution network of Bangui, converting from the present 5.5 kv to 15 kv voltage. Total estimated investment for this is about $1.2 million.

36. There is virtually no electricity supply to towns outside of Bangui. In Bouar, the municipality runs a power plant equipped with diesel units which had been installed for a camp of the French army: the capacity is about 600 kw but only a fraction of it is utilized because of lack of demand. For Bambari, a preliminary electrification study has been prepared by SEEE: it envisages a few diesel units to supply power to public and municipal offices, shops, schools and some households, through a 15 kv distribution network. Similar projects have been studied for Bossangoa, Bangassou and M'Baiki. The total initial investment for the four towns above would be of the order of CFAF 250 million. These projects are not likely to be realized before 1970.

Minerals

37. Aside from diamonds, there are imperfectly known reserves of uranium and iron ore, and traces of gold.

38. The expansion of diamond mining has been the most important growth factor in the economy during the sixties. Declared export values rose from CFAF 368 million in 1961 to CFAF 4,062 million in 1966, or 53 percent of total exports. Even after allowing in the earlier year for diamonds exported without passing through customs, the growth rate is still high. In 1965 diamond production accounted for 9 percent of GDP at factor cost against 6 percent in 1961. Export duties totalling 15.5 percent ad valorem provide the state with a useful though not an easily expandable revenue, while the feedback through African miners' expenditure on bicycles, beer, clothing and housing has done something to expand the limited market for locally produced goods.

39. The main diamond regions are near Carnot in the west and Ouada in the east, but diamonds may be found near watercourses throughout the country. Diamond mining started in 1927 and falls into two sectors.

Company production, based on concessions granted by the government, has diminished owing to some hesitation about making necessary investments and encroachment on company concessions by individual African diggers. These artisan miners, some 30,000 or 40,000 in number, dig with shovels in the banks of rivers where eddies of water in the floods have deposited diamonds over centuries (The rivers have often changed course). Before independence in 1960, efforts were made to prohibit illicit digging, but in 1961 the government finally gave up this attempt, licensed diamond buying offices and took its share in the earnings by taxing the exports which passed through the offices. Production and recorded exports have developed as follows:

Central African Republic declared diamond production and exports

Diamond production '000 carats

	1958	1961	1962	1963	1964	1965	1966	1967	First three months 1967	First three months 1968
Companies	..	49	61	74	59	92	77	46	12	20
Individuals	..	63	204	328	383	445	463	474	148	156
Total	86	112	265	402	442	537	540	520	160	176

Diamond exports

'000 carats	105	113	264	406	417	509	530	508
Value, million CFAF	350	488	1512	2530	3067	3491	3775	3589
Value per carat CFAF	333	375	408	663	727	690	712	706

Sources: Bureau des Mines: IFS: Trade returns (see Table 15).

40. The quality of Central African diamonds is above the world average, owing to the high proportion of artisan production. The table above shows that the average value per carat exported has doubled since 1958; the rise was particularly marked as the proportion of artisan sales rose after 1961. There have also been two small (around 5%) increases in the world price of diamonds, as fixed by the world monopoly. Of diamonds exported from CAR, 60% are of gem quality, against a 20% world average. Prices of gem diamonds continue firm. CAR production represents 1.5% of world production by volume, and 4.5% by value.

41. On September 1, 1966, after negotiations lasting throughout the summer, the government formed the National Diamond Office (Office National du Diamant) headed by the Director of Mines, to be in sole control of the purchase and sale of diamonds. Under an independent convention an international consortium led by Diamond Distributors Inc. of New York, a private company which operated the second largest of five licensed buying offices, was given the task of buying the diamonds internally and marketing them overseas. The agreement is renewable every three years. All buying offices are members of this consortium. Profits after export tax (and the costs of the buying offices) are divided on a 40-60 basis: but since the companies have to pay tax on this again, actual profit sharing is on a 50-50 basis. The consortium does not as such belong to the diamond selling organization constituted by De Beers Corporation but maintains friendly relations with it.

42. It will be seen from the table above that the annual increase in declared artisan production of diamonds is falling. It was 84,000 carats in 1963, at a rate of about 60,000 carats in the next two years, 18,000 carats in 1966 and only 11,000 carats in 1967. As the first sites are dug over, there are diminishing returns to the labor involved. This is particularly true of the more populated western region of the country. Yet at least during the next five years, leading diamond experts expect the production of diamonds in CAR to remain at its present high level, provided of course that political factors allow.

43. While artisan production is expected to level out, there are some indications that company output may recover. The Syndicat de Recherches des Grands Collecteurs, a 50-50 mixed company formed by Diamond Distributors Inc. (DDI) and the government, imported in December 1965 a $300,000 machine for exploiting riverbeds to a depth of 15 meters which artisans are unable to reach; it is in operation on the river Lobaye. In August 1967 Centramines, the DDI's local subsidiary, also took over the Société Minière de M'Zako, which has reportedly the best concession for mining in the country, with the intention of raising its output considerably with better equipment.

44. On June 26, 1964 the Comptoir National du Diamant, another 50-50 government partnership with Diamond Distributors Inc., was founded to cut and polish diamonds locally. In 1967 about 60 young Africans were being trained to do the first four or five of some eight cutting operations in a polishing shop in Bangui, primarily on those gems which it would be uneconomic to send abroad. However the operation is not complete;

local stones are now sent to Germany for sawing and girdling and returned to Bangui for final polishing. It is envisaged that all operations, except perhaps the final cutting into sixteenths (not always necessary), will eventually be done in Bangui. This was due to begin at the end of 1968. Progress is held up mainly for want of larger premises required for the machinery for sawing and girdling, which are to be bought on a German line of credit. From mid-1967 to 1972, the Federal German government is providing and paying German technicians to train the diamond cutters and supervise the extension of cutting operations as a part of the German technical assistance program.

45. The Comptoir National has a preemptive right to 25 percent of all artisan production in the Republic, is exempt from the export tax on cut diamonds for ten years, and was given long-term fiscal privileges by Decree Number 65-217 of October 15, 1965. At present the Comptoir is working smoothly, and the 50 percent loss in cutting is no higher than anywhere in the established centers of the diamond cutting trade. The young trainees are proud of their skills and the management appears to be good. The speed of work is slower than in more established centers, but this is more than compensated by the lower cost of labor.

46. By 1971 the diamond-cutting shop aims to process 40,800 carats a year, to produce 20,400 carats of cut diamonds at an annual value of CFAF 490 million and an annual value added of CFAF 130 million. This would be about 10 percent of present artisan production, not all of which is of course suitable for cutting at Bangui. By 1971 the enterprise should be able to begin repaying the debt to DDI (which at end 1966 stood at CFAF 86 million), and start making a return on the capital. The delay in the construction of the shop may postpone achievement of these goals.

47. The uranium deposits in the Bakouma region, for which economic feasibility studies were carried out in 1967/68, are to be exploited by a French company URBA for the French Atomic Energy Commission, under a convention between the French and CAR governments. Total investments of CFAF 8 billion are envisaged, and a production of 500 tons a year should be reached in 1972.

48. An outcrop of iron ore deposits similar to those in Congo (Brazzaville) is to be found at Bagoin a few kilometers north of Bangui. So far, the size of the estimated reserves, put at 200,000 tons in 1965 and 500,000 tons in 1967, preclude commercial exploitation.

49. Clay deposits make it possible to produce 12,000 tons of bricks annually. Finally, small amounts of gold and ivory have been exported for as long as records exist.

Tourism

50. The country's tourist resources are considerable. Relatively underpopulated for historic reasons, the northern and eastern parts have concentrations of game which rival those of the best known reserves in East Africa. Elephants with tusks of a length now rare in other areas are to be found in the center of the country, while the forested south-west has rare bongos, situtungas and - a speciality - butterflies. There are rivers everywhere with good fishing. In theory Central Africa has an advantage over East Africa in being a thousand miles nearer both to North America and to Western Europe, but in practice air fares are higher than to East Africa.

51. Eleven private firms, mostly of one or two partners, operate the big game safari business. The quoted cost of $3,000 to $3,200 for a four-week safari, not including the air journey to the country or the shooting fees to the government, inevitably limits demand severely. The Plan estimates that the number of non-resident visitors in the tourist zones in 1966 was only 50. Even after including business travel to Bangui, tourism probably contributes no more than CFAF 100 million, or $400,000 annually, to GDP, apart from a like amount of goods purchased by tourists.

52. The Société des Safaris Jean d'Orgeix (SAFO) was formed in 1965 to operate a concession of tourist and hunting rights over the domain of the Ouandjia, more than a million hectares on the Sudan frontier. SAFO agreed to invest a minimum of CFAF 100 million in tracks, an airport and a hotel of 40 rooms: at the end of 1966 it had already invested CFAF 60 million. This is the first large scale tourist development in French-speaking black Africa and is expected to bring an annual turnover of CFAF 500 million.

53. In Bangui itself the previous government invested in a second modern hotel overlooking the river. As a result of these and other initiatives, the number of hotel beds in the Republic rose from about 123 in early 1964 to about 250 in 1967. In addition, there are perhaps another 100 beds in hunting lodges and camps.

Education

54. Structure. The educational "pyramid" in the CAR is typical of that common to many developing countries, with a relatively broad base and a small apex. The primary problem is to develop secondary and technical schools to supply the country's great need for local administrative, technical and teaching personnel, at present largely expatriate. More emphasis will have to be put on teacher training, and larger local capital and recurrent expenditure will also be required. Standards of education do not seem to have been compromised, and the lycée in Bangui, in particular, has a good reputation.

55. In 1965/66 there were 700 primary schools with 128,436 pupils and 36 secondary and technical schools with 5,261 pupils, but the lycée at Bangui was the only one leading up to the baccalaureat required for university entrance.

Education Statistics, 1965/66

Type of School	Number of Schools	Number of Classes	Number of Pupils In CAR M	In CAR F	Abroad M	Abroad F
Preschooling (2-6)	33	65	2,639		-	-
Primary schooling (6-12)	700	2,299	95,573	32,863	-	-
Lycées and similar schools	6	80	1,799	596	7	8
General education (secondary modern)	9	48	1,444	27	-	-
Technical and trade schools	14	37	605	315	60	32
Teacher training	7	16	363	102	-	-
University level	-	-	-	-	59	7

Source: Statistiques Scolaires 1965/66, Ministère de l'Education Nationale, Bangui.

Note: Ages in brackets are those normal in France. In CAR, higher ages are common in primary schools.

56. Because of the shortage of teachers in the primary schools, many schools double up classes, with one group in the morning and the other in the afternoon. In 1965/66 there were 2,385 teachers and 19 inspectors. These totals include 278 women. Only 28 of the 206 teachers in classical and modern lycées and secondary schools were Central Africans, and only 21 out of the 66 teachers in the technical lycée. By contrast, the primary system is mainly Africanized, with only 4 French inspectors (out of 19), 21 schoolmistresses paid from technical assistance, and 35 nuns. While the demand for French technical assistance in the army and general government administration may decline, expenditure in health and education, especially secondary education, is still increasing.

57. The primary system. The primary education system is everywhere under pressure, having quadrupled its intake in ten years. The coastal states of French Equatorial Africa always had a higher school attendance ratio than most of French-speaking Africa, and now the hinterland is catching up with Gabon and Congo (Brazzaville). In the past decade, CAR has added school places to the system at the rate of 10,000 a year, partly by building new schools, and partly by doubling up classes. The supply of teachers is now as much of a constraint in further expansion as the availability of physical facilities.

58. If the agricultural survey is correct in estimating that 44.7 percent of the population is under 14, and if it is assumed that half of these are of school age, the percentage of school-age children at school is about 39 percent. However, in areas in the south-west, it is well over 50 percent. Beyond this level, the pressure to increase it to 100 percent becomes difficult to resist in any community, because it becomes abnormal for a child not to attend school. Some communes have built their own schools and are paying their own (largely unqualified) teachers outside the national system.

59. The Plan's aim to slow down the growth of primary education will be difficult to realize for political reasons. One way of meeting the problem might be to ration education by the purse, as in some other African states: small fees might be charged, or work accepted in kind from parents. The alternative method, which would not only seem more equitable, but also approximates the present practice, is to accept large numbers but to maintain high standards for grade promotion. But to prevent such a system from becoming excessively wasteful and expensive, it is necessary to drop children who consistently fail grades. Of 9,494 children analyzed in the last grade of primary school, 84 percent had repeated at least one grade, and 17.6 percent had repeated three times. In this grade, intended for 12-year-olds, more than half the pupils are 13 years old or over, and 16 is quite common.

60. The secondary system. The considerable effort which CAR has made in education has thus far failed to produce the numbers of educated Central Africans that the country requires for positions of responsibility. This is because the growth in secondary and technical education has failed to keep pace with that in primary education. Judged by performance, the system at present is very wasteful. Thus in 1965 there were 49,790 pupils in the lowest primary grade, and 10,214 in the top grade. In the same year, only 884 boys and 309 girls passed the examination of entry into the sixth (bottom) grade of the secondary system, and these represented only 17 percent and 29 percent of those taking the examination. At the next level, 276 Central Africans of both sexes (or 46 percent of those taking the examination), passed the Brevet d'Etudes du Premier Cycle (of the secondary system), while in the technical schools 4 out of 10 passed the more advanced Brevet d'Enseignement Industriel, and 6 out of 6 the Brevet d'Enseignement Commercial. Finally, a total of only 17 Central Africans, all male, achieved in the year 1965 the baccalaureat, which qualifies the holder for university education anywhere in the French system. Thus at each stage, the system is distinguished by a very high drop-out rate.

61. Higher education. The number of secondary school graduates seriously limits the future supply of university graduates in Central Africa. In 1965/66 there were some 66 Central Africans studying in institutions of university status abroad, (not all of whom will, of course, be successful in completing their course). Six were expected to finish their studies in 1966, 9 in 1967 and 32 (exceptionally) in 1968. One can say that the average annual rate of return of qualified and employable professional African graduates from overseas will for some time not exceed 15. There is a relative shortage of engineers,

accountants and economists among the graduates, the favorite disciplines being letters, medicine, law and sciences, in that order.

Health

62. The health system is organized in two sectors, the Assistance Médicale Africaine, (AMA), divided into twelve geographical prefectures, and the Service des Grandes Endémies (SGE) with five areas responsible for the discovery and prevention of trypanosomiasis, leprosy and venereal diseases, and the care of some 50,000 lepers.

63. The medical service, on May 1, 1966, was as follows.

	European	African	Total
Doctors	38	3	41
Pharmacists	2	-	2
Dentist	1	-	1
Health Assistants	7	3	10
Medical Assistants	-	8	8
Midwives	11	3	14
State registered nurses	32	2	34
Technical assistants	-	46	46
"Accepted" nurses (with brevet)	-	99	99
Other nurses	-	463	463
Total	91	627	718

Nearly all (79) the posts for doctors, pharmacists, midwives and state-registered nurses working in Central Africa are supplied by French-financed technical assistance personnel. Not all these posts are filled at any one time because of leave or recruitment gaps: thus at the time of the mission's visit, only 31 of the 41 doctors were present.

Housing and Social Welfare

64. National insurance in Central Africa is financed on the French pattern by the employers and employees themselves, and administered by an organization under the control of the Ministry of Labour. Private agencies such as churches provide some social services, and the extended family system is still an important element in "social security".

65. The Social Security Office was established in December 1964. Based on the French model, the social security system provides accident insurance, family allowances, maternity allowances, and pensions for regular employees. It is financed by obligatory contributions by employers and employees (1.6 percent of wages).

66. Housing is a serious problem only in Bangui. In the last few years low-cost housing has become one of the responsibilities of the National Development Bank which has been provided with a revolving fund for this purpose by the Caisse Centrale.

APPENDIX II - STATISTICAL ANNEX

Table No.

Table 1: CENTRAL AFRICAN REPUBLIC - EXTERNAL PUBLIC DEBT OUTSTANDING AS OF JUNE 30, 1968 /1

Debt Repayable in Foreign Currency /2

(In thousands of U.S. dollars)

Source	Debt Outstanding June 30, 1968	
	Disbursed only	Including undisbursed
TOTAL EXTERNAL PUBLIC DEBT	21,945	22,079
Privately held debt - Suppliers' credits	1,852	1,987
France	271	271
Germany (Fed. Rep. of)	1,250	1,250
United Kingdom	288	422
Other	44	44
Loans from governments	20,092	20,092
China (Mainland)	2,026	2,026
France	16,067	16,067
Germany (Fed. Rep. of)	2,000	2,000

/1 Debt with an original or extended maturity of one year or more.
/2 Defined to include the CFA franc which is readily convertible into the French franc.

Statistical Services Division
Economics Department
January 14, 1969

Table 2: CENTRAL AFRICAN REPUBLIC - ESTIMATED FUTURE SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF JUNE 30, 1968 /1

Debt Repayable in Foreign Currency

(In thousands of U.S. dollars) Page 1

YEAR	DEBT OUTST (BEGIN OF PERIOD) INCLUDING UNDISBURSED	PAYMENTS DURING PERIOD AMORTIZATION	INTEREST	TOTAL
		TOTAL EXTERNAL PUBLIC DEBT		
1968	21,865 /1	1,179	289	1,468
1969	21,161	1,291	261	1,552
1970	19,890	1,337	235	1,573
1971	18,553	1,962	200	2,162
1972	16,591	1,875	189	2,064
1973	14,716	1,600	186	1,786
1974	13,116	1,536	162	1,700
1975	11,578	1,398	139	1,538
1976	10,180	575	123	698
1977	9,605	488	108	596
1978	9,116	428	95	523
1979	8,688	432	85	517
1980	8,256	619	74	693
1981	7,637	627	64	691
1982	7,010	501	54	555

Note: Includes service on all debt listed in Table 1 prepared January 14, 1969 with the exception of a suppliers' credit from France for $214,000 for which repayment terms are not available.

/1 Amount outstanding is as of June 30, 1968; payments are for the entire year.

Statistical Services Division
Economics Department
January 14, 1969

Table 3: GROSS DOMESTIC PRODUCT AT MARKET PRICES
1961-64 BY SECTOR

(current prices)

Sector	1961 (in billions of CFA francs)	1964 (in billions of CFA francs)	1961 (in % of total)	1964 (in % of total)	Annual Growth Rate (in percent)
Agriculture	14.4	15.3	42.2	36.9	2%
Diamonds	1.3	2.3	3.8	5.6	21%
Industry	3.0	3.4	8.8	8.2	4%
of which: Food Processing	(1.1)	(1.1)	-	-	-
Textiles	(0.8)	(0.5)	-	-	40%
Other	(1.1)	(1.8)	-	-	18%
Administration	4.8	6.9	14.1	16.7	13%
Construction	1.0	1.2	2.9	2.9	5%
Commerce	7.4	9.7	21.7	23.4	10%
Transport	0.6	0.8	1.8	1.9	10%
Services	1.6	1.8	4.7	4.3	4%
Total GDP at market prices	34.1	41.4	100	100	5%
Total GDP at factor cost	32.8	37.1			

Source: Comptes Economiques 1964, and CAR authorities.

Table 4: USE OF RESOURCES 1956-65 & 1970 (PLANNED)

(billion CFAF, current prices 1956-64; 1964 prices 1964-70)

	1956	1961	1962	1963	1964	1965	1970
Production	19.9	29.65	32.1	32.8	35.2	33.2	46.5
of which: Subsistence	11.2	12.55	12.5	12.5	12.0	10.65	11.8
Monetary	8.7	17.1	19.6	20.3	23.2	22.55	34.7
Administration salaries	1.6	4.25	4.6	5.3	6.0	6.2	6.5
Domestic servants	0.1	0.2	0.2	0.2	0.2	0.2	0.2
GDP (market prices)	21.6	34.1	36.9	38.3	41.4	39.6	53.2
Imports of goods and services	4.2	9.3	9.4	9.6	11.0	10.4	12.9
Supply of resources	25.8	43.4	46.3	47.9	52.4	50.0	66.1
of which: Private consumption	16.8	24.2	26.8	27.5	28.4	26.3	(
Public consumption	2.3	6.15	6.7	7.3	8.5	8.3	(44.4
GFCF:	3.4	5.55	6.5	6.3	7.2	7.4	7.3
of which: public	-	(1.75)	(1.4)	(1.9)	(2.7)	(3.2)	-
private	-	(3.8)	(5.1)	(4.4)	(4.5)	(4.2)	-
Stock changes	-	0.55	0.1	0.1	-	0.2	-
Exports of goods and services	3.3	6.95	6.3	6.7	8.3	7.8	14.4
Use of resources	25.8	43.4	46.3	47.9	52.4	50.0	66.1
GDP at market prices	21.6	34.1	36.9	38.3	41.4	39.6	53.2
- indirect taxes	-	-2.4	-3.2	-3.5	-4.7	-5.1	-7.1
+ subsidies	-	0.4	0.5	0.35	0.4	0.4	0.5
GDP at factor cost	-	32.1	34.2	35.1	37.1	34.9	46.6
Population, million	1.1	1.2	1.25	1.3	1.35	1.38	1.55
GDP per capita (CFAF)	19,600	26,600	28,700	27,100	27,500	25,400	30,000

Sources: CAR authorities and staff estimates.

Table 6: FIVE-YEAR COTTON PRODUCTIVITY AND PRICE STABILIZATION PROGRAM EEC (1963/64 to 1967/68)

(In tons)

		1963/64	1964/65	1965/66	1966/67	1967/68
I.	a. Production targets (tons)					
	1. Unginned	--	40,000	43,000	46,000	50,000
	2. Ginned	--	14,406	15,539	16,659	18,157
	b. Actual production (tons)					
	1. Unginned	27,533	29,475	24,445	39,764	49,000
	2. Ginned	9,857	10,178	8,967	15,043	14,800
				(in CFAF per kilo)		
II.	a. Target price for unginned	26.00	26.00	26.00	26.00	26.00
	b. Actual price to producer					
	White cotton	27.00	28.00	28.00	28.00	28.00
	Yellow cotton	22.00	22.00	22.00	22.00	22.00
	Weighted average	26.00	27.00	27.00	27.00	27.00
III.	Price Support Program					
	1. a. Target production cost of raw cotton (fibre basis)	--	72.20	72.00	71.80	71.60
	b. Actual production cost of raw cotton (fibre basis)	72.60	78.26	74.42	70.94	71.00
	2. a. Target transformation transport and other costs	--	69.30	67.10	65.30	63.20
	b. Actual	79.50	71.30	72.82	63.26	62.00
	3. Total cost of ginned cotton					
	a. Target (VIIa & IVa)	--	141.50	139.10	137.10	134.80
	b. Actual	152.10	149.56	147.24	134.20	133.00
	4. Export Taxes					
	a. Target refund	8.00	8.00	8.00	8.00	8.00
	b. Actual refund	8.00	7.54	7.27	7.27	7.27
	5. Cost Price f.o.b.ginned cotton					
	a. Target	--	149.50	147.10	145.10	142.70
	b. Actual (1) without byproduct	160.10	157.10	154.51	141.47	140.27
	(2) with byproduct	--	148.87	146.35	133.15	129.00
	6. Sales price					
	a. Expected	138.50	138.50	138.50	138.50	138.50 /1
	b. Actual	--	132.72	125.11	124.42	140.00 /1
	7. Support necessary					
	a. Expected	--	11.00	8.60	6.60	4.20
	b. Actual	21.60	16.15	21.14	8.73	--
				(In million of CFAF)		
	8. Price Support by EEC					
	a. Original estimates	212.70	158.20	133.30	109.60	76.20
	b. Actual disbursement	212.70	165.00	153.30	120.60	--
IV.	Productivity program					
	a. Original estimates	120.40 /2	36.90	46.70	49.60	7.10
	b. Actual disbursement	120.40	36.70	37.70	65.00 /3	85.70 /3
V.	Total EEC Aid					
	a. Original estimates	333.10	195.10	180.00	159.20	83.10
	b. Actual disbursement	333.10	201.70	190.00	185.60 /3	85.70 /3

/1 Estimates. The cotton is of longer average staple and thus fetched a higher price.

/2 Includes CFAF 99.6 million for the financing of sowing premiums which were abolished in 1964-65.

/3 Expected disbursement, accounts not yet settled.

Sources: EEC and CAR authorities.

Table 7: COTTON AND COFFEE PRODUCTION AID PROGRAMS AND ACTUAL AMOUNT FINANCED BY THE EUROPEAN DEVELOPMENT FUND, 1963-1968

(In millions of CFA francs)

Program	1963/64	1964/65	1965/66	1966/67	1967/68	TOTAL
Cotton:						
Program	331.1	195.1	180.0	159.2	83.1	950.5
Actual Expenditure	312.5	204.7	191.0	180.7 /1	85.7 /2	974.6
Coffee:						
Program	99.2	80.3	66.9	35.8	16.3	298.5
Actual Expenditure	-	87.6	54.4	35.8	17.3 /3	195.1
TOTAL:						
Program	432.3	275.4	246.9	195.0	99.4	1,249.0
Actual Expenditure	312.5	292.3	245.4	216.5	103.0 /2	1,169.7

/1 Includes amounts undisbursed as at February, 1968.

/2 Preliminary.

/3 Fifth tranche submitted but not yet approved (February, 1968).

Source: CAR Authorities.

Table 8: COTTON PRODUCTION AND PRODUCERS INCOME, 1956/57 - 1967/68

Crop Year	Production		Ginning Yield	Production Price		Yellow	Estimated Producers income
	Raw cotton	Ginned cotton		White	Yellow		
	(thousand metric tons)		(percent)	(CFA francs per kg)		(percent of total)	(million CFA francs)
1956/57	38.4	13.1	34.1	24	20	16.5 /1	896
1957/58	37.6	12.7	33.8	26	20	16.5 /1	940
1958/59	43.6	15.7	36.0	26	20	16.5 /1	1,120
1959/60	33.5	11.9	35.5	26	20	16.5 /1	838
1960/61	32.6	11.4	35.0	27	22	18.1	843
1961/62	27.5	9.5	34.5	27	22	19.6	720
1962/63	33.5	11.3	33.7	27	22	23.3	877
1963/64	27.5	9.9	35.8	27	22	15.8	720
1964/65	29.5	10.2	34.6	28	22	16.3	797
1965/66	24.4	8.9	36.7	28	22	12.0	659
1966/67	39.8	14.7	37.0	28	22	19.3	1,067
1967/68	48.0	15.0 /2	--	28	22	--	1,296 /3

/1 Estimated.
/2 Preliminary estimate; February 1968
/3 Estimated on basis of an average price of CFAF 27 per kg.

Sources: La Situation Agricole en République Centrafricaine, Ministère de l'Agriculture, Bangui;
Bulletin Mensuel de Statistique, Ministère de l'Economie Nationale, Bangui;
CAR authorities.

Table 9: COFFEE PRODUCTIVITY PROGRAM FINANCED BY FED, 1963 - 1968

(in millions of CFA francs)

Item	1963/64	1964/65	1965/66	1966/67	1967/68	TOTAL
Fertilizer and insecticide						
Target expenditure	90.6	71.7	58.3	27.2	8.8	256.6
Actual expenditure	-	80.6	49.2 /1	27.2 /1	10.3 /2	167.3
Equipment						
Target expenditure	8.6	8.6	8.6	8.6	7.5	41.9
Actual expenditure	-	7.0	5.2 /1	8.6 /1	7.0 /2	27.8
Total						
Target expenditure	99.2	80.3	66.9	35.8	16.3	298.5
Actual expenditure	-	87.6	54.4	35.8 /1	17.3 /2	195.1
			(- in percent -)			
FED Share of Total Program						
Target	75	60	40	25	15	
Actual	-	75	60	25	15	

/1 Preliminary.

/2 Fifth tranche submitted but not yet approved (February, 1968).

Source: CAR Authorities.

Table 10: PRODUCTION AND EXPORTS OUTSIDE UDEAC OF FELLED LOGS AND SAWN TIMBER

(in cubic meters)

Year	Production		Exports outside UDEAC	
	Logs Felled	Sawn Timber	Logs	Sawn Timber
1956	84,623	32,334	34	281
1957	70,404	34,884	646	2,359
1958	74,948	32,784	2,353	2,430
1959	92,681	32,375	7,460	3,178
1960	112,357	31,992	11,492	4,023
1961	89,392	38,043	11,160	3,530
1962	127,657	41,181	11,270	3,579
1963	121,988	40,528	11,275	3,770
1964	133,845	42,955	9,415	7,518
1965	172,950	43,482	10,170	7,206
1966	175,000	48,000	n.a.	n.a.
1967	169,963	47,158	n.a.	n.a.

Source: CAR Authorities.

Table 11: INDUSTRIAL PRODUCTION

Product	Unit	1961	1962	1963	1964	1965	1966	1967 /1
Beer	'000 hl	49.1	65.8	65.8	77.7	99.2	86.4	96.8
Soft Drinks	'000 hl	16.3	17.5	21.8	21.6	19.3	21.9	22.4
Ice	M.T.	350	385	435	380	321	269	432
Soap	M.T.	782	950	917	937	3,019	2,301	1,674 /2
Cotton Textiles	million m^2	3.9	4.0	4.5	5.2	4.4	5.2	3.4 /2
Bricks	M.T.	-	-	-	-	-	4,460	6,100
Aluminum Pans	M.T.	51	81	100	131	n.a.	n.a.	n.a.
Plastic Products								
Sandals	'000 pairs	-	-	-	380	400	410	325
Bottles	'000 units	-	-	-	700	450	700	750
Shoes	'000 pairs	-	-	-	-	-	140	200
Oil								
Cotton	'000 liters	315	150	449	365	427	300	216
Groundnut	'000 liters	648	584	846	1,047	1,029	927	1,016
Sesame	liters	147	287	145	- /3	- /3	226	303

/1 Provisional.
/2 7 months only.
/3 All sesame seeds exported because of favorable world market situation.

Source: CAR Authorities and Chamber of Commerce.

Table 12: ELECTRICITY CONSUMPTION, INSTALLED CAPACITY PEAK USE AND RATES, 1963-1968

	1963	1964	1965	1966	1967	Estimated 1968
I. Consumption (millions of kwh)	17.3	20.1	21.4	24.6	28.2	32.4
1. City of Bangui	11.4	13.4	15.3	17.5	19.1 /1	22.0 /1
2. Textile industry	4.8	5.2	4.7	5.3	5.6	5.6
3. Other	1.1	1.5	1.4	1.8	3.5	4.8
II. Installed capacity (kw)	6,250	6,250	8,000	8,000	8,000	8,000
1. Hydroelectric	5,250	5,250	7,000	7,000	7,000	7,000
2. Thermal	1,000	1,000	1,000	1,000	1,000	1,000
III. Peak use (percent installed capacity)	59.2	64.0	56.3	61.2	74.4	100.0
IV. Rates in Bangui (CFAF per kwh)						
Residential	22.25/29.7 /2					
Industrial	11.9/19.8 /2					

/1 Includes 453,032 kwh consumed in 1967 by the Bangui Branch of CCCA, the consolidated textile factory.

/2 Same figure from 1963 to 1968.

Source: CAR Authorities.

Table 13: PRODUCTION AND EXPORTS OF DIAMONDS

(Quantity in thousands of carats and value in million CFA francs)

	1961	1962	1963	1964	1965	1966	1967	1968 first qtr.
I. Production '000 carats								
1. Rough diamonds	112	265	402	442	537	540	520	176
a. Individuals	63	204	322	383	445	463	474	156
b. Companies	49	61	74	59	92	77	46	20
2. Cut diamonds	-	-	-	-	3	7	5	"
II. Exports								
1. Rough diamonds								
a. Quantity	113	264	406	417	508	526	508	"
b. Value	488	1,572	2,530	3,067	3,466	3,698	3,533	"
2. Cut diamonds								
a. Quantity	-	-	-	-	1	4	3	"
b. Value	-	-	-	-	25	77	56	"
3. Total value								
a. Quantity	113	264	406	417	509	530	511	"
b. Value	488	1,572	2,530	3,067	3,491	3,775	3,589	"
III. Change in inventory								
1. Rough diamonds	2	2	- 4	25	29	13	12	"
2. Cut diamonds	-	-	-	-	2	3	2	"

Source: CAR Authorities.

Table 14: ENROLLMENT IN SECONDARY EDUCATION
1965/1966 /1

	Boys	Girls	Total
Secondary - Total	3,243	623	3,866
First cycle	(2,942)	(570)	(3,512)
Second cycle	(301)	(53)	(354)
Technical lycee	393	51	144
Artisan Schools	141	264	405
Teacher Training	363	102	465
Agricultural College	71	-	71
Total	4,211	1,040	5,251

/1 In addition, 266 Central Africans are studying abroad, of which 74 are in arts and science departments (University level), 186 in technical training, and 6 in secondary schools.

Sources: UNESCO mission - CAR; Statistiques Scolaires 1965-1966, Ministere de l'Education Nationale.

Table 15: PRIMARY SCHOOL ENROLLMENT

	1950/51	1955/56	1956/57	1957/58	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66
Primary - Total	19.4	32.8	38.8	45.8	54.3	61.4	67.5	73.8	87.5	106.4	119.6	128.5
Boys	17.0	28.1	33.0	38.6	45.8	50.5	54.5	58.8	67.9	82.3	92.6	95.6
Girls	2.4	4.7	5.8	7.2	8.5	10.9	13.0	15.0	19.6	24.1	27.0	32.9

Source: UNESCO mission - CAR; Statistiques Scolaires 1965-1966, Ministere de l'Education Nationale.

Table 16: EXPORTS BY DESTINATION - EXCLUDING UDEAC

(million CFA Francs)

Destination	1960	1961	1962	1963	1964	1965	1966	1967 Jan. - Sept.
France	2,246.4	2,374.7	2,134.4	2,553.0	3,317,8	2,453.4	2,841.3	2,342.0
Common Market (excluding France)	390.2	416.9	235.3	350.7	744.9	788.2	907.2	314.0
Other African Countries (excluding UDEAC)	432.4	292.1	323.6	198.7	158.1	186.9	94.9	..
Others	357.5	306.0	961.5	2,327.9	2,920.3	3,078.4	3,747.6	2,665.0
Total	3,426.5	3,389.7	3,654.8	5,430.3	7,141.1	6,506.9	7,591.0	5,321.0
				(percentage of total value)				
France	65.6	70.1	58.4	47.0	46.5	37.7	37.4	44.0
Common Market (excluding France)	11.4	12.3	6.5	6.5	10.4	12.1	12.0	6.0
Other African Countries (excluding UDEAC)	12.6	8.6	8.8	3.7	2.2	2.9	1.3	..
Others	10.4	9.0	26.3	42.8	40.9	47.3	49.4	50.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Commerce Extérieur, UDE, Statistique Générales 1960-65.
Bulletin Mensuel de Statistique, R.C.A. 1966-67.

Table 17: EXPORTS OF PRINCIPAL COMMODITIES 1960 - 67
- EXCLUDING UDEAC

(million CFA Francs)

Commodities	1960	1961	1962	1963	1964	1965	1966	1967
Cotton	1,547.0	1,534.7	1,288.4	1,364.9	1,386.7	1,236.2	1,115.8	1,635.1
Coffee	853.5	969.3	1,038.9	783.0	1,977.2	1,005.5	1,797.8	1,427.3
Diamonds	415.1	367.9	715.0	2,625.6	3,061.5	3,511.9	4,062.0	3,348.8
Rubber	92.4	71.6	89.0	121.0	105.4	95.0	129.4	..
Groundnuts	89.6	83.2	69.1	37.9	87.8	83.4	-	-
Sesame	45.3	21.4	40.2	63.7	92.7	122.1	33.0	53.2
Palm kernels and nuts	37.8	25.4	24.7	40.1	34.4	44.4	43.0	
Tobacco	14.9	41.0	30.3	39.7	38.9	45.2	52.7	140.7
Timber	67.9	62.8	55.0	60.3	134.5	129.7	93.1	210.3
Logs	18.3	13.3	51.8	30.5	25.0	30.6	64.8	7.5
Ivory	31.6	24.7	30.8	32.4	19.5	10.2	7.1	
Others	213.1	174.4	221.6	231.2	177.5	192.7	192.3	
TOTAL	3,426.5	3,389.7	3,654.8	5,430.3	7,141.1	6.506.9	7,591.0	7,166.1

(percentage of total value)

Cotton	45.1	45.3	35.3	25.1	19.4	19.0	14.7	22.7
Coffee	24.9	28.6	28.4	14.4	27.7	15.4	23.7	20.0
Diamonds	12.1	10.9	19.6	48.4	42.9	53.9	53.5	46.6
Rubber	2.7	2.1	2.4	2.2	1.5	1.4	1.7	..
Groundnuts	2.6	2.5	1.9	0.7	1.2	1.3	-	..
Sesame	1.3	0.6	1.1	1.2	1.3	1.9	0.4	..
Palm kernels and nuts	1.1	0.8	0.7	0.7	0.5	0.7	0.6	..
Tobacco	0.5	1.2	0.8	0.7	0.5	0.7	0.7	..
Sawn Timber	2.0	1.8	1.5	1.1	1.9	2.0	1.2	..
Logs	0.6	0.4	1.4	0.6	0.4	0.5	0.8	..
Ivory	0.9	0.7	0.8	0.6	0.3	0.2	0.1	..
Others	6.2	5.1	6.1	4.3	2.4	3.0	2.5	..
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Commerce Extérieur, UDE, Statistiques Générales, 1960-65
Bulletin Mensuel de Statistique, 1966-67
1967 - IFS

Table 18: IMPORTS BY ORIGIN 1960 - 67
- EXCLUDING UDEAC
(million CFA francs)

Origin	1960	1961	1962	1963	1964	1965	1966	1967
France	3,004.4	3,228.2	3,793.9	3,929.3	4,329.8	4,099.9	5,067	6,486
Common Market (excluding France)	573.2	688.3	636.1	1,018.8	1,172.8	893.6	1,323	2,136
Other African Countries (excluding UDEAC)	354.0	284.5	402.5	376.2	444.8	395.6	514	581
Others	1,029.4	1,298.1	1,313.1	1,190.3	1,422.3	1,387.2	1,718	1,705
TOTAL	4,957.0	5,499.1	6,145.6	6,514.6	7,369.7	6,776.3	8,622	10,908
	(percentage of total value)							
France	60.5	58.7	61.7	60.3	58.7	60.5	59	59
Common Market (excluding France)	11.6	12.5	10.3	15.6	15.9	13.2	15	20
Other African Countries (excluding UDEAC)	7.1	5.2	6.6	5.8	6.1	5.8	6	6
Others	20.8	23.6	21.4	18.3	19.3	20.5	20	15
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Commerce Extérieur, UDE, Statistiques Générales 1960-65.
Bulletin Mensuel de Statistique C.A.R. 1966-67.

Table 19: IMPORTS BY COMMODITY GROUP /1 - 1964-67
- EXCLUDING UDEAC

	1964	1965	1966	1967	1964	1965	1966	1967
	(in millions of CFA Francs)				(in percent)			
.ve animals and animal products	180.4	189.0	207.8	226.9	2.4	2.8	2.4	2.1
ɛgetable products	298.4	306.0	501.0	687.3	4.0	4.5	5.8	6.3
ıts and oils	16.8	19.8	41.8	62.9	0.2	0.3	0.5	0.6
ɔod products, beverages, tobacco	577.6	401.3	628.4	648.9	7.8	5.9	7.3	5.9
.neral products	478.3	581.2	1,030.4	1,093.8	6.5	8.6	12.0	10.0
ıemical products	505.0	462.3	641.2	991.0	6.9	6.8	7.4	9.1
Lastics and rubber products	270.5	278.0	316.9	383.2	3.7	4.1	3.7	3.5
ɕins and hides	39.9	33.5	47.4	38.6	0.5	0.5	0.5	0.4
.mber and cork	12.8	9.3	14.2	12.0	0.2	0.1	0.2	0.1
ɔod pulp and paper	178.4	187.1	208.5	194.3	2.4	2.8	2.4	1.8
ɛxtiles	1,567.9	1,159.4	1,195.8	1,376.9	21.3	17.1	13.9	12.6
ıoes and hats	304.6	177.2	136.3	75.9	4.1	2.6	1.6	0.7
ɔone work, ceramics and glass	89.4	99.2	146.0	111.4	1.2	1.5	1.7	1.0
ɛarls, gems and precious metals	16.7	14.4	27.2	53.3	0.2	0.2	0.3	0.5
ɔmmon metals and metal works	687.7	609.0	828.2	920.8	9.3	9.0	9.6	8.4
ıachines, apparatus and elect. equipt.	903.6	997.2	1,122.9	2,667.6	12.3	14.7	13.0	24.5
ɾansportation equipment	963.6	1,012.7	1,204.5	1,044.7	13.1	15.0	14.4	9.6
ɕientific and precision instruments	117.9	103.3	111.4	111.3	1.6	1.5	1.3	1.0
ɛapons and ammunition	47.4	20.4	8.5	16.2	0.6	0.3	0.1	0.1
ɾoducts, N.E.C. /2	112.3	114.9	160.9	191.4	1.5	1.7	1.9	1.8
ɾt and collectors' items	0.5	1.3	3.3	-	-	-	-	-
TOTAL	7,369.7	6,776.3	8,622.6	10,908.0	100.0	100.0	100.0	100.0

1 CIF value at UDEAC frontier (usually Pointe Noire)

2 Including parcel post

ɔurce: Commerce Extérieur de la République Centrafricaine.

Table 20: CURRENT RECEIPTS OF THE CENTRAL GOVERNMENT
(million CFA francs)

	1961	1962	1963	1964	1965	1966	1967 Budget	1967 Preliminary a/	1968 Budget
Fiscal Receipts	3,554	3,893	4,525	5,615	6,614	7,696	7,604	6,908	8,273
Direct taxes	905	732	974	1,569	1,999	2,161	1,930	1,950	2,054
On Income	(583)	(576)	(537)	(931)	(1,418)	(1,590)	(1,173)	(684)	(1,288)
Other	(322)	(156)	(437)	(638)	(581)	(571)	(757)	(1,266)	(766)
Indirect taxes	2,649	3,161	3,551	4,046	4,615	5,535	5,674	4,958	6,219
Import duties	(868)	(1,068)	(1,192)	(2,145)	(2,514)	(3,202)	(3,343)	(2,973)	(3,613)
Export duties	(296)	(295)	(297)	(447)	(352)	(414)	(355)	(338)	(283)
Solidarity fund b/	(369)	(332)	(383)	(441)	(520)	(665)	(283)	(455)	(283)
Other c/	(1,116)	(1,466)	(1,679)	(1,013)	(1,229)	(1,254)	(1,693)	(1,192)	(2,040)
Non-Fiscal Receipts	310	602	781	1,008	1,090	1,010	886	1,103	606
Total Current Receipts	3,864	4,495	5,306	6,623	7,704	8,706	8,490	8,011	8,879

a/ Excluding January - March 1968 complementary period.
b/ Net, except for 1967.
c/ Sales, transaction and accessory taxes, and the taxe unique.

Source: Compte définitif des Recettes et des Dépenses.

Table 21: CURRENT EXPENDITURES OF THE CENTRAL GOVERNMENT

(millions of CFA Francs)

	1961	1962	1963	1964	1965	1966 Est. Actuals	1967 Rev. Budget	1967[1] Est. Actuals	1968 Budget
General Services	1,332	2,157	2,383	2,897	3,627	3,092	2,880		3,096
Political Administration	115	8	156	122	126	135	-		-
General Administration	989	1,449	1,422	1,863	2,491	2,014	1,745		1,772
National Defense and Security	228	700	805	912	1,010	943	1,135		1,324
Economic Services [2]	392	707	723	899	814	800	1,618		1,658
Agriculture [3]	216	277	276	369	323	276	764		833
Public Works and Transport	172	424	444	526	491	525	854		825
Tourism	4	6	3	4	-	-	-		-
Social Services	769	965	1,381	1,646	2,140	2,089	2,694		2,700
Health	350	384	473	538	705	690	869		879
Education	339	483	784	957	1,306	1,399	1,780		1,752
Other	80	98	124	151	129	-	45		69
Unallocated and Miscellaneous Expenditures	939	1,152	783	1,002	1,486	1,901	1,506		1,633
Loans and Advances	6	3	-	-	-	110	285		-
Current Expenditures Less Debt Service	3,438	4,984	5,270	6,444	8,069	7,882	8,983	8,058	9,087
Debt Service Payments	253	142	224	118	89	94	167	126	405[4]
Total Current Expenditures	3,691	5,126	5,494	6,562	8,158	7,976	9,150	8,184	9,492

[1] Excluding the complementary period (January-March) for completion of budget exercise.
[2] Excluding expenditure for Post and Telecommunications.
[3] Including Tourism.
[4] Large suppliers' credit.

Source: Compte Définitif des Recettes et des dépenses - CAR Budgets.

Table 22: INVESTMENT EXPENDITURES OF THE CENTRAL GOVERNMENT

(million CFA Francs)

	1960	1961	1962	1963	1964	1965	1966 Est. Actuals	1967 Rev. Budget	1967 [1] Actuals	1968 Budget
Infrastructure	61	190	127	557	673	752	516	153	-	130
Transport and Communications	6	-	-	125	232	194	292	50	-	5
Roads	(6)	-	-	-	-	-	-	(20)	-	(2
Airport and Air transport	-	-	-	(115)	(215)	(114)	(107)	(30)	-	(3
Railway	-	-	-	(10)	(10)	(10)	(18)	-	-	-
Post and Telecommunications, and others.	-	-	-	-	(7)	(70)	(167)	-	-	-
Buildings	55	187	124	430	439	556	224	99	-	7
Construction	(27)	(120)	(109)	(381)	(341)	(384)	(104)	(99)		(7
Purchases	(28)	(67)	(15)	(49)	(98)	(172)	(120)	-	-	-
Urban Renewal	-	3	3	2	2	2	-	4	-	
Economic Development	-	40	15	46	54	683	95	281	-	9
Industry and Mining	-	-	4	23	15	562	40	100	-	2
Agriculture	-	10	9	23	39	121	55	128	-	6
Tourism	-	30	2	-	-	-	-	53	-	
Other	-	-	-	-	-	-	-	-	-	
Social Development	-	-	85	37	18	27	7	2	-	
Education	-	-	20	3	3	-	-	2	-	
Health	-	-	20	16	-	-	-	-	-	
Other	-	-	45	18	15	27	7	-	-	
Participation and Subventions	55	55	214	167	155	491	376	30	-	1
Participation in public enterprises	30	20	77	132	88	428	254	-	-	
Contributions, subsidies	2	35	137	35	67	63	122	30		1
Other	23	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	23	-	1
Total Investment Expenditure	116	285	441	807	900	1,953	994	489	-	26

[1] No investment during calendar year; however, some expenditures are expected in the complementary period (January-March, 1968) under the 1967 budget exercise.

Source: Compte Définitif des Recettes et des Dépenses.

Table 23: SECTOR ALLOCATIONS OF THE FOUR-YEAR PLAN, 1967-70

	Total	Public	Private	Sectoral shares of Plan: Total	Public	Private	Public share by sector
	(in million of CFAF)			(in percent)			(in percent)
Total Plan	36,877	28,322	8,555	100.0	100.0	100.0	76.8
Productive Sectors	15,660	8,822	6,838	42.4	31.2	79.9	56.3
Agriculture and Rural Development	6,581	5,814	767	17.8	20.5	8.9	88.3
Industry	6,233	2,312	3,921	16.9	8.2	45.8	37.0
Mining	1,940	40	1,900	5.2	0.1	22.2	2.0
Power	455	305	150	1.2	1.1	1.7	67.0
Tourism	451	351	100	1.2	1.2	1.2	77.8
Economic Infrastructure	6,025	5,075	950	16.3	17.9	11.1	83.9
Transport	5,050	4,130	920	13.6	14.6	10.7	81.7
Communications	228	228	-	0.6	0.8	-	100.0
Commerce	747	717	30	2.1	2.5	0.4	95.9
Social and Administrative Overheads	11,299	10,832	467	30.6	38.3	5.4	95.8
Education	548	548	-	1.5	1.9	-	100.0
Technical Training	2,043	2,043	-	5.5	7.2	-	100.0
Health	757	722	35	2.1	2.6	0.4	95.3
Urban Development	3,675	3,675	-	9.9	13.0	-	100.0
Housing	3,480	3,048	432	9.4	10.8	5.0	87.6
Administrative Equipment and Information	796	796	-	2.2	2.8	-	100.0
Studies and Research	3,256	2,956	300	8.8	10.4	3.5	90.7
Public Debt Service	637	637	-	1.7	2.3	-	100.0

Note: Differences due to rounding.

Source: Four Year Plan (1967-70).

Table 24: FOUR-YEAR PLAN 1967-70 DISBURSEMENT IN 1967

	(million CFAF)			1967 as % of 4 years		
	Total	Public	Private	Total	Public	Private
Productive Sectors						
Agriculture	821	810	11	12.5	13.9	1.4
Industry	3,600	1,012	2,588	57.8	43.9	66.0
Mining	-	-	-	-	-	-
Power	30	30	-	6.6	9.8	-
Tourism	83	3	80	18.4	0.9	80.0
Economic Infrastructure						
Transport	1,100	555	468	22.0	10.9	49.3
Communications	32	32	-	14.0	14.0	-
Commerce	1	1	-	0.1	0.1	-
Social and Administrative Overheads						
Education	-	-	-	-	-	-
Technical Training	179	179	-	8.8	8.8	-
Health	35	-	35	4.6	-	100
Urban Development	45	45	-	1.2	1.2	-
Housing	50	30	20	1.4	1.0	4.6
Administration Equipment Information	355	300	55	3.8	3.4	11.8
Studies and Research	340	340	-	9.7	21.1	-
Public Debt Service	130	130	-	20.4	20.4	-
GRAND TOTAL	6,391	3,389	3,202	17.4	12.0	37.5

Source: CAR authorities.

Table 25: COMMITMENTS OF FOREIGN AID/1 (1963-66)

(million CFA Francs)

Source	1963	1964	1965	1966	Total
France (FAC)	1,365	2,415	599	1,048	5,427
EEC Development Fund	982	355	1,531	1,829	4,697
United States	175	281	186	144	786
Total	2,522	3,051	2,316	3,021	10,910

/1 Excluding technical assistance and budget support.

Source: Four Year Plan (1967-70).

Table 26: DISBURSEMENTS OF FOREIGN AID, 1963-67

(in millions of CFA Francs)

	1963	1964	1965	1966	1967/1	TOTAL
FRANCE	2,313	2,847	2,582	2,599	2,088	12,429
FAC Grants	(807)	(1,337)	(1,062)	(1,040)	(1,016)	(5,262
Technical Assistance/2	(1,100)/3	(1,177)	(1,320)	(1,430)	(1,072)	(6,099
Budget Support (investment)	(406)	(333)	(200)	(129)	-	(1,068
EEC Development Fund	329	369	1,053	993	467	3,211
U.S. Grants	n.a	256	187	145	115	703
CHINA (Mainland) loan	-	-	500/4	-	-	500
GERMANY (Loans)	-	-	222	134	54	410
TOTAL	2,642	3,472	4,544	3,871	2,724	17,253

/1 First nine months

/2 Including small amounts from other sources

/3 Estimated

/4 Investment budget support

Source: Four-Year Plan and other sources

Table 27: COMPOSITION OF COMMITMENTS OF FOREIGN AID 1963-66 BY SOURCE /1

	FAC	FED	U.S.A.	Total	% of total
Studies and research	579	610	-	1,189	10.9
Economic infrastructure	1,140	983	230	2,353	21.6
Social infrastructure /2	573	1,255	179	2,007	18.4
Rural development	1,686	1,849	326	3,861	35.4
Industrial development	218	-	-	218	2.0
Administration equipment	292	-	51	343	3.1
Buildings and Bangui Airport	939	-	-	939	8.6
Total	5,427	4,697	786	10,910	100.0

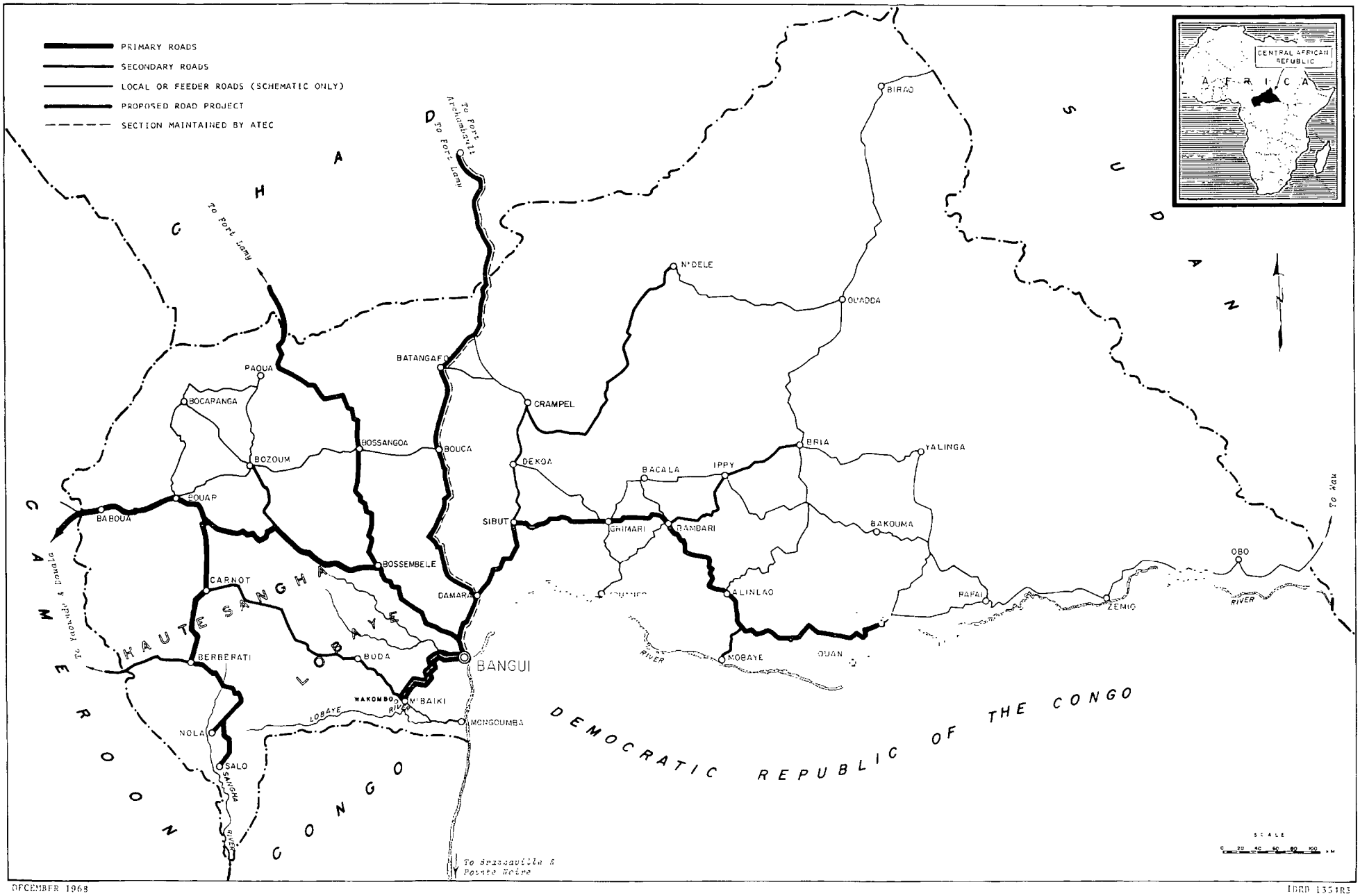
/1 Excluding technical assistance

/2 Mainly education and training

Source: Four-Year Plan.

CENTRAL AFRICAN REPUBLIC

ROAD SYSTEM



DECEMBER 1968

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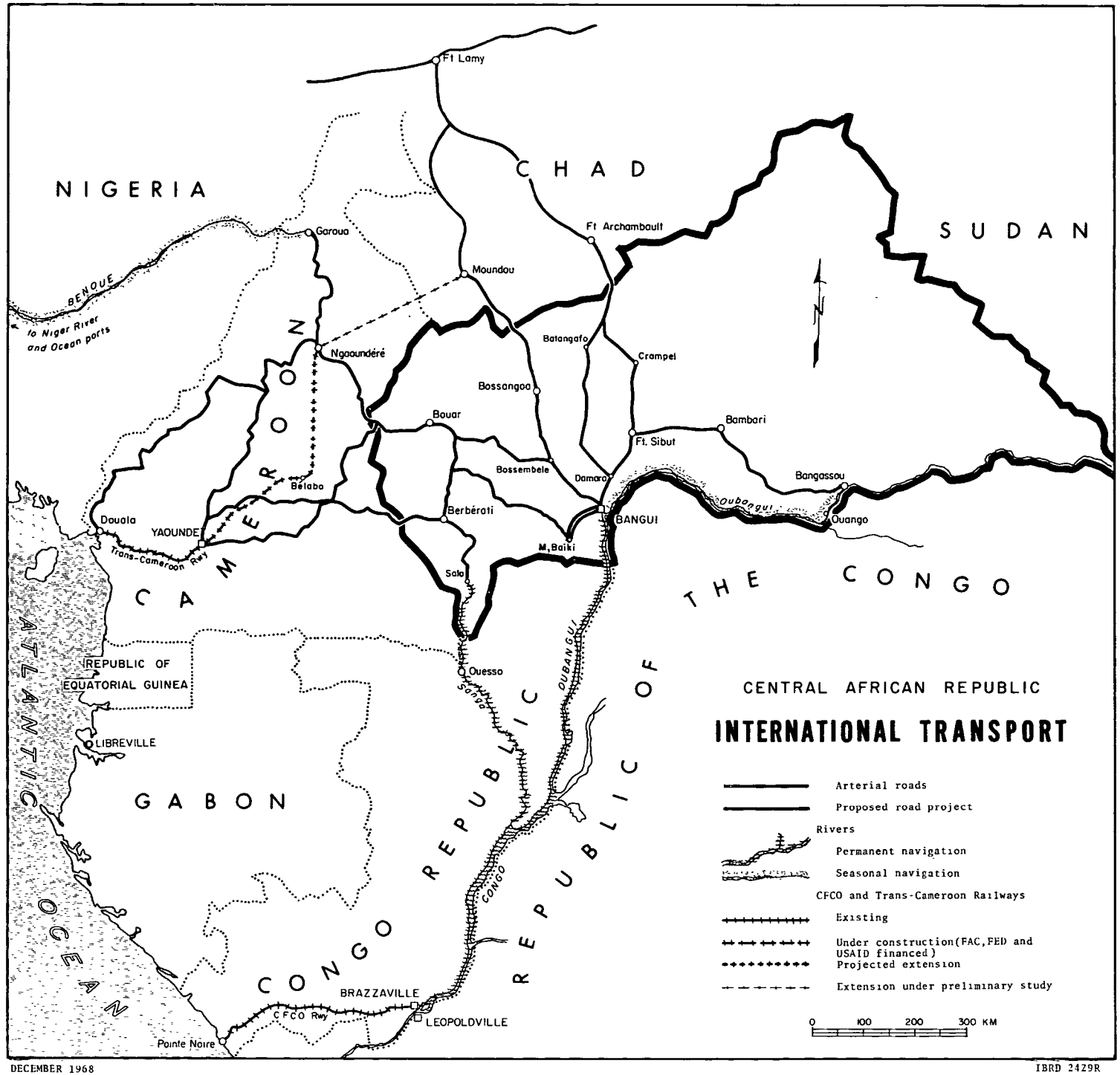

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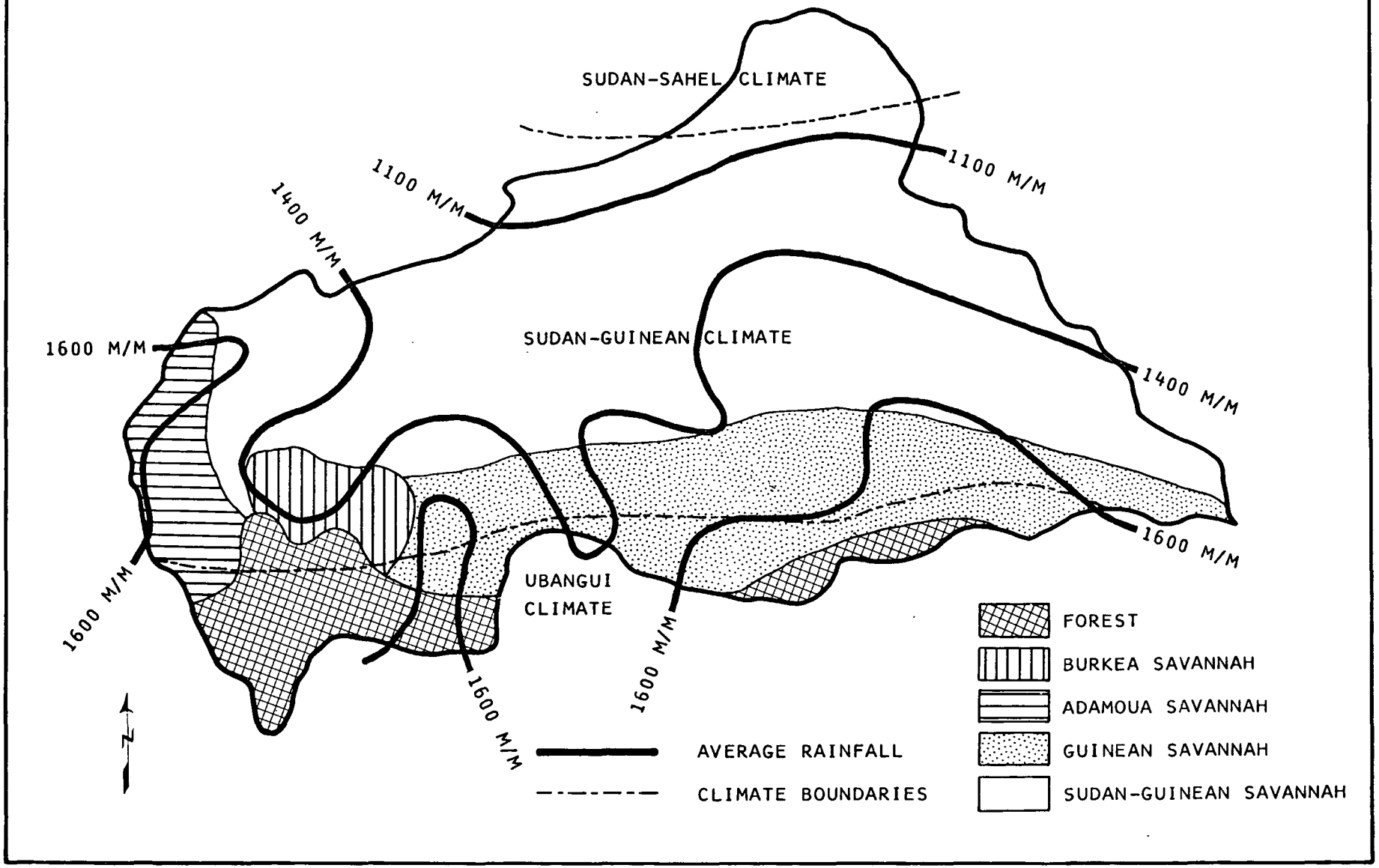
CENTRAL AFRICAN REPUBLIC

CLIMATE, VEGETATION AND AVERAGE RAINFALL



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