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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

THE ECONOMY OF THE CENTRAL AFRICAN REPUBLIC

(in two volumes)

VOLUME I

RECENT EVOLUTION AND PROSPECTS

May 22, 1970

Western Africa Department

TAUX DE CONVERSION

1 dollar EU	=	277,71 francs CFA (FCFA)
1.000 FCFA	=	3,60 dollars EU
1 FCFA	=	0,02 franc
1 franc	=	50,00 FCFA

This report was prepared after a mission to the Central African Republic in November 1969. The mission consisted of Messrs. Byl and Fall of the Bank and Zaanouni of FAO. This main report (Vol. I), is complemented by an agricultural sector study (Vol. II).

Commodity concentration of exports

% of Exports of major products to countries outside the Central African Customs and Economic Union (UDEAC)

(in percent)

	1966	1967	1968	Average 1966/68
Diamonds	53.5	46.7	53.1	51.1
Cotton	14.7	22.8	23.4	20.3
Coffee	23.7	20.0	12.2	18.6
	91.9	89.5	88.7	90.0

External Public Debt outstanding as of December 31, 1968 (in millions of US$)

Disbursed only	20.6
Including undisbursed	21.0
With additions until June 30, 1969	30.8

Public Debt Service on outstanding debt as of June 30, 1969 including undisbursed portion	1969	1970	1971	1972
	2.0	2.2	2.9	2.7
Debt Service Ratio (as % of 1968 exports of goods and services).	4.8	5.3	7.0	6.5

Bank Group Operations

IDA Credit No. 146 CA for road construction $4.2 million FY 1969

IMF Position

Quota: $9.5 million

Drawing: None

Political Status: Member of the:

Central African Customs and Economic Union (UDEAC)
Central Bank of Equatorial African States & Cameroon (BCEAEC)
Organization of African Unity (OAU)
Common Organization of African and Malagasy States and Mauritius (OCAMM)

Associated with the:

European Economic Community (EEC).

BASIC DATA

Area:	620,000 sq. km.
Population (est.) 1969:	1,530,000 1/
Rate of growth	2.8%
Density	2.5 per sq. km.
School attendance in percent of the relevant age group	
Primary	58%
Secondary	4%
Gross Domestic Product at current market prices	1967 - CFAF 46.6 billion
Per capita 1967	CFAF 31,300 or $127 at the 1967 exchange rate.
Growth rate 1964-67	4.2%
Real growth rate	0 to 0.2%

Money and Banking: The CAR uses the Communauté Financière Africaine franc (CFAF).

(in billions of CFAF)

(end of year)	1966	1967	1968	June 1969
Money Supply	5.37	5.87	7.17	7.15
Domestic Credit	5.75	7.12	8.82	9.47
Foreign Assets (net)	1.13	0.34	0.51	-0.18

Public Finances	1966	1967	1968	(11 mos.) 1969	budget 1970
Total receipts	8.1	8.2	9.2	7.9	11.3
Total expenditures	-7.9	-9.2	-10.2	-9.2	12.1
Overall Surplus or Deficit	+0.1	-1.0	-1.0	-1.2	-0.8
Current Surplus or Deficit	+0.7	-0.5	-0.7	-0.9	-
Capital Expenditures	-0.6	-0.5	-0.3	-0.3	-0.8
Investments outside the budget	n.a.	1.5	2.5	n.a.	n.a

Trade and Payments

	1966	1967	1968	1969	
Exports	9.1	8.9	10.5	n.a.	
Imports	10.4	12.6	11.8	n.a.	
Trade balance	-1.3	-3.7	-1.3	n.a.	
Change in foreign assets (net)	-0.8	-0.8	+0.2	-0.7	(June)
Foreign aid disbursements	2.5	2.1	1.7	n.a.	

1/ A 1965 population survey indicated that the population at that moment might be as high as 2.1 million (par. 2).

THE ECONOMY OF THE

CENTRAL AFRICAN REPUBLIC

Recent Evolution and Prospects

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ABBREVIATIONS USED

ASECNA	Agence pour la Sécurité de la Navigation Aérienne en Afrique et à Madagascar
ATEC	Transequatorial Communications Agency/Agence Transequatoriale des Communications
BCEAEC	Central Bank of Equatorial African States and Cameroon/Banque Centrale des Etats de l'Afrique Equatoriale et du Cameroun
BDPA	Bureau pour le Développement de la Production Agricole
BND	National Development Bank/Banque Nationale de Developpement
CCCE	Central Fund for Economic Coopération/Caisse Centrale de Cooperation Economique
CENTRADIAM	Central African Diamond Company
CFCO	Chemin de Fer Congo-Océan
CFDT	Compagnie Francaise pour le Développement des Fibres Textiles
CFMU	Compagnie Francaise des Mines d'Uranium
CND	Comptoir National du Diamant
CEA	Atomic Energy Commission/Commissariat de l'Energie Atomique
CGTAE	Compagnie Générale des Transports en Afrique Equatoriale
DDI	Diamond Distributors Inc.
EDF/FED	European Development Fund/Fonds Européen de Développement
EEC/CEE	European Economic Community/Communauté Economique Européenne
ENERCA	Energie Centrafricaine
FAC	Fund for Aid and Cooperation/Fonds d'Aide et de Coopération
FIDES	Investment Fund for Economic and Social Development /Fonds d'Investissement pour le Développement Economique et Social
IBRD	International Bank for Reconstruction and Development
ICCA	Industrie Cotonnière Centrafricaine
IDA	International Development Association
IFC	International Finance Corporation
ODEL	Livestock Development Office/Office de Développement de l'Elevage
OND	National Diamond Office/Office Nationale du Diamant
ORD	Regional Development Office /Office Régionale de Développement
SACAF	Société Centrafricaine du Sac
SIAN	Société Industrielle et Agricole du Niari
SICPAD	Société Industreille Centrafricaine de Produits Alimentaires et Dérivés
SOFRECOM	Société Française d'Etudes et de Réalisations d'Equipements de Télécommunications
UBAC	Union des Banques de l'Afrique Centrale
UDEAC	Central African Customs and Economic Union/Union Douanière et Economique de l'Afrique Centrale
UEAC	Union of Central African States/Union des Etats de l'Afrique Centrale
UNDP	United Nations Development Program
URBA	Compagnie des Mines d'Uranium de Bakouma

SUMMARY AND CONCLUSIONS

i. The Central African Republic is a large country in Equatorial Africa with a small and sparse population. The economy is essentially agricultural, and still has a large subsistence sector. Cotton and coffee are the main cash crops, and there are large forestry reserves which will be exploited on a larger scale in the future. Diamonds are the main export, and uranium will be produced in the near future. There is little industry, owing to the late start and the small size of the market. CAR's main trade partners are France, the other European Economic Community countries and its UDEAC partners. The currency circulating in the CAR is the CFAF franc which is issued by a regional central bank and is convertible into French francs.

ii. In assessing the country's economic problems and possibilities, it is necessary to take account of the particular difficulties that it has experienced in the past, and which it faces in the future. The new country got off to a bad start after independence in 1960. Cotton production declined drastically, and the public finances got into serious deficits in 1962 and 1963. The country's undeveloped resources are an important asset, but in the short run little can be done to use them all because of the great distances from markets and sources of supply, and the very low level of education and training in the population at large.

iii. The report examines Government policies, investment priorities and the prospects of the economy, and makes a number of suggestions. However, it should be stressed that the report pretends only to indicate some objectives and directions of government policies and measures. Without further detailed study it is difficult to make concrete recommendations which would result in major improvements in economic performance. It is clear, however, that the limited resources of the country must be carefully husbanded, that public expenditures must be severely controlled and that investments which are not urgent should be deferred.

iv. Although data on output are inadequate, the economy has expanded modestly from 1964 to 1967, without apparently an increase in per capita GDP, but more rapidly in 1968 and 1969. The most promising development in recent years has been the expansion of cotton production and exports, although this has been largely offset by declining coffee exports, which have suffered from diversion of labor to artisanal diamond digging. Industry has also contributed to growth of GDP, though partly at the expense of government revenues (particularly from import taxes) and an increase in the cost of manufacture products to the consumer. Timber extraction is making a growing but still very modest contribution to exports.

v. Diamonds play an important role in the economy, accounting for about half of exports. However, most of the extraction is done by individual diggers who operate very inefficiently and to a large extent escape taxation. Serious problems have also arisen between the Government and the few remaining mining companies who have been closed down. Moreover, the diversion of labor to speculative diamond digging has adversely affected

development of agriculture in the forest zone which could provide a sounder foundation for economic progress. A careful study of the diamond industry should be undertaken to determine how it could be made more efficient and contribute more to government revenues.

vi. The evolution of the country's internal and external financial situation over recent years has left much to be desired. The Government's current budget, which last showed a surplus in 1966, has been in deficit ever since, so there have been no budgetary savings. The overall budget deficit amounted to CFAF 1 billion in 1967 and 1968, and may have reached about CFAF 1.2 billion in 1969, even though capital expenditures financed out of the budget fell from CFAF 0.6 billion in 1966 to about an average of CFAF 0.3 billion in 1967 and 1968. The budget deficit was undoubtedly aggravated by the suspension of remittances to CAR of funds due to it from UDEAC, but inadequate control over current expenditures has also played an important role. The Treasury has experienced increasing difficulties. In 1968 it met its deficit largely by drawing down cash balances and discounting customs duty bills; in 1969 the deficit was financed principally by resorting to Central Bank credit and accumulating arrears in payments.

vii. Although balance of payment estimates are available only for 1968, the rather steady decline in net foreign assets indicates that overall deficits were incurred over the entire period 1966-69, primarily as the result of a rapid expansion in domestic credit and the deterioration in public finances. Net foreign assets declined from CFAF 1.94 billion at the end of 1965 to a negative figure of CFAF - 0.18 billion in mid-1969.

viii. Available data indicate that investment under the Four-Year (1967-70) Development Plan will fall far short of targets. Private investment in the first two years of the Plan amounted to two-thirds of the projected total, but public investment in the same period reached only one-quarter of the target. Total investment has been rather large in relation to GDP, but some of it does not appear to have been particularly efficient. In the public sector, project implementation has lagged. There is an obvious need to strengthen public administration in general and the planning organization in particular.

ix. The long-term potential of the CAR is not inconsiderable. Ecological conditions are favorable to the development of agriculture and, to some extent, of livestock. There are some mineral resources. In the short run, however, growth prospects are modest. Further progress in cotton production can be expected, and timber exports are likely to increase. On the other hand, a recovery of coffee production and development of cocoa are unlikely unless a reorganization of diamond extraction can be effected so as to release labor for agriculture. While a further increase in diamond output is unlikely, uranium deposits are being developed. However, the latter are not likely to make a large contribution to government revenues for some time. Net foreign exchange income will be considerably less than the gross figures of CFAF 2.5 billion, but will still amount to about CFAF 1 billion or 10 percent of total exports.

x. The Government must take measures to bring its budget and balance of payments under more effective control. Current expenditures, including those on defense, need to be carefully scrutinized, and public investment expenditures must be concentrated more on directly productive projects and complementary infrastructure. The personnel and organization for formulating, carrying out and supervising development projects will have to be considerably strengthened.

xi. It is difficult to anticipate how much foreign financing CAR will need over the years ahead. In the private or mixed sector, the volume of private capital investment will be determined by available opportunities, such as those for the development of uranium deposits and the forest exploitations and the further expansion of the textile industry. In the public sector, capital inflow will largely be determined by the availability of projects eligible for external financing and the ability of the government to generate some public savings. It is clear, however, that even if the government's budget performance improves considerably, public savings will on the average be able to finance only a small proportion -- perhaps as little as 10 percent -- of project costs. Foreign aid institutions must accordingly be prepared to finance a large part of project costs, including, inevitably, a considerable proportion of local expenditures. The relative poverty of the country (GDP per capita $130), the rather modest rate of growth that can be anticipated over the medium-term, and the prospects that capital inflow will be required over a very long period, all point to the need of providing finance on very easy terms with respect to interest rates and amortization periods. In view of these factors and the already existing debt burden (already equivalent to about 7 percent of export receipts), the CAR needs investment aid on concessionary terms.

population 1/ is already 26 percent of the total and the rural exodus is a serious problem aggravated by a diamond rush, which started at independence, when artisans were allowed to search for alluvial diamonds without payment of license fees.

C. Regional Association

4. The Central African Republic, until 1958 called Oubangui-Chari, obtained its internal political autonomy in 1956 and became independent on August 13, 1960. It became a member of the Bank in 1963. Its capital subscription is $10 million. The CAR is also a member of the Central African Customs and Economic Union (UDEAC) and shares with Cameroon, Congo (Brazzaville), Gabon and Chad a common central bank, the Central Bank of Equatorial African States and Cameroon (BCEAEC), and a common currency, the CFA franc. It is also an associate member of the European Economic Community (EEC).

D. Political and Social Developments

5. The first president of CAR, Barthelemy Boganda, was elected on an "anti-cotton" platform, which capitalized on the people's resentment against compulsory cotton growing during the colonial regime. This, coupled with the poor monetary return from cotton at the then prevailing yields, led to a disastrous decline in cotton production, which reached its lowest level in 1965, when the second president, David Dacko, was deposed on December 31 in a bloodless coup d'etat by army commander Jean Bedel Bokassa. The army's disapproval of the Government's foreign policy, and popular opposition to high taxes, enforced party subscriptions and a compulsory domestic loan seemed to have prompted the take over. The Government of President Bokassa has campaigned vigorously for an increase in cotton production.

1/ District and regional centers and rural villages within a radius of about 5 km of these centers.

I. INTRODUCTION

A. Geography

1. The Central African Republic, a land-locked country in the heart of the African continent, forms a transition area between the equatorial West African forest and the subsaharan bush. Its area is 620,000 square kilometers, or slightly larger than France. Its neighbours are the two Congo's, Cameroon, Chad, and the Sudan (map 1). The main part of the country forms a transition area between the equatorial forest and the subsaharan bush. The climate is tropical in the southwestern part and much drier in the rest, but rainfall is still adequate for agriculture and there are large areas of the country which have good soils. The rainy seasons occur from March through May and from July through October, especially in the south. In the north there is only one and a shorter rainy season. Most of the country drains into the Oubangui River, but the northern part of the country forms part of the Lake Chad basin. The country is moderately well endowed with other natural resources. The south-west has large forestry reserves, whose exploitation is becoming increasingly important. Diamonds are the major export product, and other exploitable minerals include uranium ore and limestone (Maps 2 and 3).

B. Population

2. The country is sparsely populated. The United Nations Demographic Yearbook quotes a mid-1968 population of 1,488,000 1/, and a natural growth rate of 2.8 percent, which would bring the mid-1969 population to about 1,530,000. The 1960 census estimated the population to be 1,202,910 and the growth rate to be 1.8 percent. A 1965 survey showed an increase to 2,088,000 inhabitants, but the accuracy of this survey is questionable. The increase in the natural growth rate is mainly the result of a decline in the death rate, which may well continue with the expected improvement in health facilities. The government does not seem to be much concerned about rapid growth in the population, and considers a larger population essential for economic development. The main ethnic groups are the Banda and the Baya, each comprising about 30 percent of the population, and tribal differences do not seem to constitute a major problem. The population density per square kilometer is about 2.4 persons, with the greatest concentration in the western region. The eastern third of the country is almost uninhabited, but the Government would like to settle more people in that region.

3. There are five centers with more than 20,000 inhabitants including the capital, Bangui, which has about 200,000 inhabitants. The urban

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1/ The U.N. figure has also been used as a base for the CAR's Economic and Social Development Plan 1967-1970.

II. STRUCTURE OF THE ECONOMY

6. The economy of the CAR is essentially agricultural, but diamonds account for more than 50 percent of exports. About half of the exported stones are of gem quality. At present, little cutting is done in the country, but with improved skills, diamond-cutting may add moderately to the value of diamond exports in the long run. The relative ease with which people can subsist and the attraction of the diamond sector have tended to discourage commercial agricultural production. Cotton and coffee are the principal export crops. Production of cotton has progressed satisfactorily in recent years, but coffee has stagnated because labor has been attracted to diamond digging in the expectation of large gains. The industrial sector is at an early stage of development. A new textile mill at Bangui and a new firm producing oil, soap and flour are the main industrial developments. Services are important because foreign trade is high in relation to national income, and CAR handles Chad's transit trade. Government employment has also risen rapidly, and this is a major cause of increasingly large budget deficits.

A. Gross Domestic Product

7. The available national accounts estimates indicate that GDP at current market prices in 1967 was about CFAF 46.6 billion or about CFAF 31,300 per capita (US$127). While the nominal annual growth rate was about 4.2 percent between 1964 and 1967, there was apparently a decline in per capita growth in real terms because, even allowing for the shortcomings of the available indices, prices appeared to have increased by 4.0 to 4.6 percent annually over this period, and population growth was about 2.8 percent per year.

8. The share of agriculture in GDP (including an estimate for subsistence agriculture) has decreased, but still accounts for more than 30 percent of GDP at current market prices. Value added in the mining sector, which clearly increased between 1961 and 1964, did not increase between 1964 and 1967, notwithstanding continued expansion of production, because most of the increase in output was from individual diggers who operate on low profit margins. Under these circumstances, much of the benefit of the increased output was gained by the commercial sector whose share of GDP rose from about 23 percent to more than 26 percent (Table 1).

Table 1: CAR - GROSS DOMESTIC PRODUCT AT CURRENT MARKET PRICES, 1961, '64, '67
(billions CFAF)

	1961		1964		1967	
	Total	Percent	Total	Percent	Total	Percent
Agriculture & Forestry	12.4	36.5	13.3	32.4	14.6	31.3
Commerce	8.0	23.5	9.6	23.3	12.2	26.2
Government	4.2	12.4	5.9	14.3	6.2	13.3
Industry	2.9	8.5	3.4	8.3	5.0	10.7
Mining	1.3	3.8	2.3	5.6	2.2	4.7
Construction	1.0	2.9	1.8	4.4	1.9	4.1
Transport and Telecommunications	0.6	1.8	0.8/1	2.0	1.0	2.1
Other Services /2	3.6	10.6	4.0/1	9.7	3.5	7.6
Total GDP at market prcs.	34.0	100.0	41.2/3	100.0	46.6	100.0
GDP Index 1964 = 100	82.5	-	100.0	-	113.1	-
European price index /4	81.7	-	100.0	-	114.5	-
Wholesale price index	84.8	-	100.0	-	112.4	-

/1 Definition not clear. Telecommunications may be included in Other Services in '64.
/2 Includes CFAF 200 million for domestic servants' wages in 1961, 1964 and 1967.
/3 Subtotals add up to 41.1 because of rounding.
/4 This index is based on the consumption expenditures of a typical expatriate family with an average monthly income of more than CFAF 100,000.
Source: Data provided by the Central African authorities, mission estimates, and Appendix Table I.

B. Employment, Wages and Prices

9. Hardly any data are available on employment and unemployment: crude estimates by the government suggest that in 1967 there were about 50,000 wage and salary earners, of which some 14,000 were working for the government (including an average of 500 people hired by the day rather than on contract). In 1969 government personnel increased by about 2,000. Efforts to enlist urbanized unemployed young people in agricultural activities have been largely ineffective.

10. Minimum guaranteed wage rates have remained unchanged since January 1964 at CFAF 22.80 per hour for non-agricultural workers and CFAF 17.60 per hour for agricultural workers in Bangui. In the rest of the country, rates are about 50 percent lower. In practice, wages and salaries are set higher than the legal minimum for most workers by collective agreements negotiated under government auspices.

11. Data on prices are confined to Bangui. A wholesale price index and a cost of living index are compiled, the latter reflecting European expenditure patterns. The European index was discontinued in July 1969. Since a price index would be a valuable tool for economic analysis, the authorities should attempt, as a minimum, to resume the compilation of the African consumer price index, abandoned several years ago (Table 2).

Table 2: CAR - PRICE INDICES FOR THE CITY OF BANGUI, 1961 - 1969

	1965	1966	1967	1968	1969
		Annual Average			June
European Consumer prices	95	95	100	102	106
Wholesale prices	96	99	100	105	104

Source: Appendix Table I

12. No data are available on price movements since the devaluation of the CFA franc in August 1969. The Government did try to limit post-devaluation price increases by issuing a decree in October 1969 freezing all prices at their August 1969 level, and permitting increases only in exceptional cases with the permission of the National Committee for Prices (Comité National des Prix). Lack of personnel has made it difficult to enforce price controls, particularly outside the capital city, in spite of strict legislation.

III. DEVELOPMENTS IN THE PRINCIPAL SECTORS

A. Agriculture, Forestry and Livestock

13. Agriculture in CAR is still principally devoted to subsistence crops, but also produces several export crops, of which cotton and coffee are the most important. These two crops together account for more than 75 percent of all agricultural exports. Logs and timber account for a further 7 percent. Other agricultural exports include increasing but still small amounts of tobacco, and decreasingly small amounts of rubber and palm kernels (Table 3).

14. Agricultural output progressed considerably in the 1966 - 69 period, except for coffee which has stagnated. Agricultural exports account for nearly 50 percent of all exports. Exports of cotton lint increased more than three times from 7,200 tons in the 1965/66 season to an estimated 22,000 tons in 1969/70 (Appendix Table II). As a result, cotton has replaced coffee as CAR's most important agricultural export, accounting for about 46 percent of agricultural exports in 1967 and for 56 percent in 1969, while exports of coffee decreased from 40 percent in 1967 to 29 percent in 1969.

Table 3: CAR - MAJOR CASH CROPS, 1968/69 AND AVERAGE 1966/67-1968/69
(Production in thousands of tons, area in thousands of ha yields in kg per ha)

	1968/69			Average 1966/67 - 1968/69		
	Production	Area	Yield	Production	Area	Yield
Seed cotton	57.8	127.0	455	48.8	124.4	394
Coffee	9.6	27.0	356	9.0	26.8	334
Groundnuts	68.1	97.7	697	67.1	85.1	794
Sesame	14.0	54.7	259	12.1	45.4	268
Rice	9.8	11.2	875	7.1	7.5	960
Tobacco	0.8	1.7	481	0.8	1.4	590
Rubber	0.9	2.0	450	0.9	2.0	450
Palm kernel	0.7	n.a.	n.a.	1.0	n.a.	n.a.

Source: Vol. II, Appendix Table III.

a. Cotton

15. The striking increase of cotton production (49,000 tons of seed cotton in 1967/68, 58,000 tons in 1968/69, and an estimated 65,000 tons in 1969/70) is the result of a successful productivity program based on applying fertilizers and insecticides to progressively larger areas (18,000 ha in 1967/68 and 45,000 ha in 1969/70) and on successful extension services. Cotton and sesame, which is not very important, are the only crops for which the Four-Year targets have been exceeded.

16. Farmers are paid a fixed price per kg of seed cotton produced (CFAF 30 since the 1969/70 season and CFAF 28 per kg before). In the 1967/68 season the CAR cotton managed to break even without need for price subsidies (Appendix Table II). This was mainly due to a favorable world market price that year (CFAF 137 per kg of cotton lint compared to CFAF 124 the previous season). In 1968/69 the price was CFAF 129 per kg and price subsidies were again necessary. World market prices are estimated at around CFAF 130 per kg in 1969/70 declining to CFAF 125 during the next five years. Since the Government increased the producers price, the need for price subsidies will be enhanced until other cost factors can be reduced considerably. A decrease in processing and transport costs is expected to reduce, but not eliminate, the need for price subsidies after the 1972/73 season. Appendix Table III indicates that the average income per ha under cotton has increased by 30 percent between 1967/68 and 1969/70 (from CFAF 10,400 to CFAF 13,500) and is expected to increase further. It was therefore unnecessary to increase the producer price, even though it had not been changed for several years. On the contrary, there is even a serious case for reducing the producer price, should FED subsidies not be available during the third FED period (1970/71-1974/75).

b. Coffee

17. Coffee grows in the forest area in the southwest of the country. In the last three seasons the CAR produced on the average about 9000 tons of coffee (mainly Robusta) which is less than its quota in the International Coffee Organization (ICO) of about 12,000 tons. 1/ The real constraint to increasing production is the shortage of manpower due to the attraction exerted in the same region by the diamond digging activities which became legal for individual CAR citizens after independence. Until then only French companies had been allowed to exploit diamonds. The area under coffee cultivation has decreased by 18 percent since the 1962/63 season. The decrease is exclusively the result of a decrease in area under cultivation on plantations, where productivity is considerably higher than on African family plots. In the 1968/69 season, family plots accounted for 28 percent of the production but for 54 percent of the cultivated area. The recovery of coffee production and the proposed development of cocoa cultivation depends on diversion of labor now devoted to diamond digging. Mining activities are moving northward outside the coffee belt. This may change the manpower shortage situation slowly.

c. Forestry

18. Only 25 percent of the exploitable forest reserves are being worked at present by a dozen of private firms. They are all located in the southwestern tip of the CAR. Production which amounted to 150,000 cubic meters of logs, has increased by 50 percent between 1964 and 1968 or an average of 10.7 percent per year. Sawn timber production increased by only 4.8 percent per year in the same period, but exports of sawn timber

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1/ The actual export quota, based on the basic quota of 12,000 tons, is at present only about 10,500 tons.

outside UDEAC increased by 9.5 percent annually. The value of logs and timber exports in the first quarter of 1969 indicates that a further substantial increase in logs and sawn timber exports was realized that year (Table 4).

19. Growth in the forestry sector depends very much on transport costs, particularly on the evolution of tariffs on the Congo-Ocean railway (CFCO). Unless these are sharply increased, production and exports of wood will develop quickly (Appendix Table IV). On the other hand, prospects for local production of plywood are not very good. Since the local market for plywood is too small and since there is considerable doubt that the CAR could compete in the world market, the establishment of a plywood factory may not be economically feasible.

Table 4: CAR - FORESTRY PRODUCTION AND EXPORTS, 1964 - 1968

(in 1000 cubic meter)

	1964	1965	1966	1967	1968
Log production	100.0	117.0	132.0	138.0	150.0
Log exports	9.4	10.2	11.0	13.5	26.0
Logs processed into sawn timber	90.6	106.8	121.0	124.5	124.0
Sawn timber production /1	43.0	44.0	48.0	47.0	52.0
Sawn timber exports /2	31.0	31.0	34.0	32.0	36.0
of which outside UDEAC	(7.5)	(7.2)	(7.6)	(9.5)	(10.8)
Local consumption /2	12.0	13.0	14.0	15.0	16.0

/1 Losses in production of sawn timber from logs are more than 50 percent.
/2 These figures are approximate because local consumption has been estimated.

Source: Vol. II, Appendix Table XII.

d. Livestock

20. About half of the demand for meat in the CAR is imported on the hoof mainly from Chad, but more recently from Sudan as well. Increased local production could therefore reduce imports significantly. There is plenty of pasture in the country which is suitable for grazing if it were cleared of the tse-tse fly. Although the Government's livestock services are apparently well staffed and have an adequate budget, they have been unable to carry out rapidly the projects for which financing is available. The Government should review the functioning of this department with a view to accelerating growth in this key sector.

21. The cattle population probably increased by an average of 7.5 percent per year during 1964-68 to reach 555,000 head of cattle in 1968, of which about 14,500 were of a trypano-tolerant variety. This was not all due to natural growth (only about 3 percent), but the CAR has benefitted from a net influx of cattle from Cameroon. The number of tse-tse-resistant cattle more than doubled between 1964 and 1968, after some stud bulls were purchased in Senegal, but, because of meat shortages in 1969, the government allowed the slaughter of two to three thousand resistant cattle prematurely. Meat consumption per head has increased by about 5 percent per year since 1964; consumption of meat in Bangui is still about double the national average.

22. The number of vaccinations has almost tripled in four years. In 1968, 65 percent of the vaccinations were against pluropneumonia and black leg disease. These vaccinations seem to be very effective except for trypanosomiasis, which can only be eradicated by a bush-clearing campaign against the tse-tse fly.

B. Mining

a. Diamonds

23. The expansion of diamond mining has been the most important factor in the growth of the CAR's exports during the sixties. The main diamond producing region is Upper Sangha in the southwest. Some diamonds are also produced in the east-central area (around Bria) and near watercourses throughout the country.

24. The value of registered diamond exports 1/ rose from CFAF 488 million in 1961 to CFAF 4,700 million in 1968 (Appendix Table V). This increase was mainly due to the increased production by individual diggers and to the increase in the average value per carat exported (from CFAF 4,318 in 1961 to CFAF 7,343 in 1968). Gems account for about 50 percent of total carats produced (Appendix Table Vbis). CAR's production of industrial diamonds and of gems represents only about 1.5 percent of world production by volume, but gems amount to about 3 percent of world gem production and 8 percent of African gem production. Since 1965, the CAR has its own experimental diamond cutting shop, but up to the present, the proportion of diamonds cut in the country has been too small to have a significant effect on the unit value of exports.

25. Diamond mining by private expatriate companies started in 1930 and remained largely in their hands until independence. Owing to the growth of production by private individual diggers (artisans), production of diamonds by mining companies now accounts for less than 10 percent of the total, against 44 percent in 1961. Company production has diminished, especially since 1965, following increased royalties, some hesitation about making new investments and encroachment on company concessions by individual diggers.

1/ Unregistered exports are estimated at between 20 and 30 percent of registered exports.

26. During the first ten months of 1969, production of the private companies was about half the corresponding 1968 level. In November 1969 production stopped when the companies' management and foreign staff were expelled from the country following a dispute over the Government's demands for substantially higher payments for concession rights. It subsequently transpired that the amounts demanded were inflated, and the Government changed its position on the question. The expulsion order was withdrawn, and the companies were invited to negotiate, but initial efforts to reach a settlement have so far made no progress. Government has requested the UN to provide an expert to study the question of mining rights, and to advise the Government in this field.

27. In 1964, the government entered into a partnership with an American private group to establish a national diamond cutting and polishing industry. For this purpose the Comptoir National du Diamand" (CND) was created. The CND has a right to 25 percent of all artisan production and is exempt from export tax on cut diamonds for ten years. It was also given long-term income tax concessions.

28. In 1968 the CND's National Cutting Shop produced about 35,000 stones weighing 4,000 carats with a total value of CFAF 100 million (CFAF 25,000 per carat), compared with 2,500 carats in 1967. The CND was training about 75 nationals to do polishing and cutting operations in Bangui, primarily on gems which it would be uneconomic to send abroad for cutting. The Federal Republic of Germany will provide technicians until 1972 for training the diamond cutters and for supervision.

29. The initial target was to process 40,800 carats by 1971, but this will not be reached until about 1973 because of delays in constructing the cutting shop. This would produce 20,400 carats of cut diamonds with a gross value of CFAF 490 million and a value added of CFAF 130 million, representing about 10 percent of present artisan production, not all of which is, of course, suitable for cutting at Bangui. Employment would then be 204 people including 192 CAR nationals.

30. The cutting shop seems now to be working smoothly. Losses in cutting (about 50 percent) are not higher than in the established centers of the diamond cutting trade. While the speed of work is slower, this is partially compensated by the lower cost of labor. Value added in the cutting process is more than 40 percent of the sales price, which makes this operation very attractive for a country like the CAR. The highly skilled nature of this trade makes it difficult to progress rapidly in this field, but in the long run it should be possible to process 20 percent of total national production.

b. Uranium

31. In 1968, the CAR government made a concession to the French Atomic Energy Commission (CEA) to exploit the uranium deposit of Mpatou and to construct at Bakouma a processing plant with an annual capacity of 1200 tons of uranium concentrate, equivalent to 500 tons of uranium,

which will make the CAR one of the world's major producers. Production is to be in the hands of the Central African company URBA 1/ established in April, 1969, with a capital of CFAF 2.2 billion, of which 20 percent is held by the CAR government and 40 percent each by the French CEA and CFMU. 2/ The processing plant is scheduled to start operations by the end of 1972.

32. URBA will set up a thermal plant to produce its own power, using lignite fuel from a deposit 25 kms north of Bakouma. The mining and processing operations are expected to require about 15,000 tons of supplies annually, and the government has agreed to improve the 300 km of road between Bambari and Bakouma.

33. URBA's total investment will be CFAF 8 billion over four years or an annual investment of as much as 25 percent of annual investment in the whole country during 1967 - 1968. The company will employ about 600 people, of which 90 percent will be CAR nationals. During the construction period, employment will reach a peak of 1,100 people. This will have a considerable socio-economic impact on an area which is out of the mainstream of CAR's economic activity and which at present is only sparsely populated. An urban area of 2 to 3,000 people with schools, medical facilities and other infrastructure will be created by 1972.

34. Although the uranium project will generate gross exports of CFAF 2.5 billion annually after 1973, the impact of this project on the CAR economy will be much smaller. Only that part of export proceeds needed for current operating expenditures, taxes and Government's 20 percent share of profits, will be retained in CAR. Half of the wages and salaries will go to expatriate staff who may be paid partly abroad, or will otherwise remit a large share of their earnings. Liberal tax concessions and amortization allowances will limit Government's annual revenue from the project to about CFAF 100 million during the first five years of operation.

C. Manufacturing

35. Manufacturing prospects, even for local consumption, are limited in the CAR, because the size of the national market is too small to permit the manufacture of many goods on an economic scale. The remoteness of the CAR from sources of imports and foreign markets is also an impediment to the development of manufacture for export, though it does provide some natural protection for local industries supplying consumer goods such as beverages, textiles, soaps and footwear. The output of these products has increased considerably over the last five years (Appendix Table VI). Processing for export is confined to a few products: cotton, coffee and some timber and diamonds. Industrial development is also hampered by limited supply of skilled manpower and managerial talent.

1/ Compagnie des Mines d'Uranium de Bakouma.

2/ Campagnie Francaise des Mines d'Uranium.

36. An investment code encourages the establishment of industrial enterprises in the framework of UDEAC, and the Government participates in certain types of industrial enterprises. Advantages under the investment code include reduction of import duties on equipment goods and raw materials, exemption from turnover taxes, and other fiscal advantages, including a guaranty that no new taxes will be levied on the enterprise during a fixed period (up to 25 years in exceptional cases). New firms can apply for these advantages. Production for the UDEAC market is encouraged by a stipulation that industrial goods produced for at least two of the UDEAC countries are subject to only a single production tax called Taxe Unique (single tax) which replaces all other indirect taxes (including import duties which might otherwise be levied on raw materials).

37. Some 120 manufacturing and processing plants, including 20 cotton ginning mills, were operating in 1968, employing about 15,000 workers. They are concentrated around the capital, Bangui, except for the ginneries The contribution of industry to GDP rose from CFAF 3.4 billion in 1964 or 8.3 percent of GDP to CFAF 5.0 billion in 1967 or 10.7 percent of GDP at current market prices. From 1966 to 1968 the gross value of industrial production increased by CFAF 2 billion to about 12 billion. Of the latter amount cotton ginning accounted for CFAF 2.9 billion and the textile industry for CFAF 1.1 billion.

38. The textile industry has developed most. Production has risen from about 5 million sq. meters in 1964 - 1967 to about 8 million sq. meters in 1968, and is still expanding. The textile market is heavily protected and the manufacturer has difficulty in meeting the demand of the Army and the three major commercial firms that supply the CAR market even by working three shifts daily in some parts of the plant. Two new textile plants adjacent to the present ones are planned, and a plant for the production of industrial sacks from a locally grown fibre known as "roselle" was completed in February 1970.

39. Other industrial developments are more modest, and expansion of manufacture of plastic shoes and bottles is planned.

D. Transport

a. International Transport

40. Apart from a modern international airport with increasing passenger and freight traffic, (Appendix Table VII) the CAR's only practical outlet to the sea at present is via river and rail to Pointe Noire in Congo (B), about 1815 km distant from Bangui (Map 4). This route is part of the Transequatorial route, which extends from Fort-Lamy in Chad to Pointe Noire. In the past, it was managed and its installations maintained by ATEC, which until October 1969 was jointly owned by the Governments of Congo (B), the CAR, Chad and Gabon. There is no private capital involved in ATEC.

41. ATEC was responsible for (a) the maintenance of two major roads from Fort-Lamy in Chad to Bangui and from Dolisie in Congo to Ndende in Gabon; (b) the maintenance of the Oubangui, Sangha and Congo waterways between Bangui and Salo and Brazzaville; (c) the maintenance and operation of the ports of Bangui, Brazzaville and Pointe Noire and (d) of the Congo-Ocean Railway (CFCO). Its current budget has been defrayed from transport charges and small contributions from the participating governments. Foreign aid, mainly from France, has been available for financing investments. France has also privided technical assistance.

42. In October 1969 the Congolese Government unilaterally withdrew from ATEC and took control of the river port of Brazzaville, the seaport of Pointe Noire and the CFCO railroad, linking these two ports. Congo set up the "Agence Transcongolaise de Communications" (ATC) to operate these facilities. Reacting to the measures taken by Congo (B), the CAR took control of the port of Bangui, another ATEC asset, and seized that part of the river fleet of the private company CGTAE 1/ which was within the CAR's borders at the time of the Congo's move against ATEC. The CAR announced the nationalization of CGTAE, which is registered in Congo (B) and the creation of its own Agence Centrafricaine des Communications Fluviales (ACCF). This endangered the favorable tariff structures for the CAR on the CFCO railroad. Negotiations on the repartition of CGTAE's fleet (37 vessels and 75 barges), resulted in the CAR obtaining 60 percent of the units and Congo 40 percent. It was also agreed that tariffs will remain unchanged. ACCF and ATC will both continue to apply those tariffs which were in force on February 1, 1970, and changes will only be made in the future by mutual agreement. Three other agreements covering maintenance of the river bed, technical assistance and future coordination of policy were also concluded.

43. Exports through the port of Bangui have stagnated since 1961 at a level of ± 55,000 tons, but the volume of import traffic has risen from 127,000 tons in 1964 to 173,000 tons in 1968. Transit trade to and from Chad has averaged about 50,000 tons, but this is expected to decline because of Chad's increased reliance on Cameroon and Nigeria for access to the sea (Appendix Table VIII).

44. At present the CAR has an alternative outlet through the port of Douala in Cameroon, which is about 1,400 km away from Bangui (at least 400 km nearer than Pointe-Noire). However, the existing roads are in very poor condition and transport costs are high (almost CFAF 20,000 per ton), so this route is little used. The CAR authorities are anxious to have a railroad constructed from Bangui to Douala and have asked the European Development Fund for financing of this project. The transport needs of the CAR and Southern Cameroon are being studied by consultants under a UNDP project.

1/ Compagnie Generale du Transport en Afrique Equatoriale. This company transports about 75 percent of the merchandise shipped between Bangui and Brazzaville.

b. Internal Transport

45. The CAR has about 21,000 kms of roads of which only 76 km are asphalted; the remainder are earth or laterite roads. The Ministry of Public Works had responsibility for about 3,400 km of primary and secondary roads. Another 508 km, constituting the Bangui-Chad trunk road, used to be maintained by ATEC, but may have to be taken over by the government in the future. The remaining 17,500 km of local roads in rural areas are entrusted to the Ministry of State in charge of Agriculture and the local authorities (Appendix Table IX and Map 5).

46. The CAR is almost totally dependent on road transport for internal traffic. The distances between production centers makes the cost of transport quite high. Thus, the growth of the economy, as well as the administrative and political integration is greatly affected by the state of the road system. Transport costs are an important element in import and export prices especially of cotton and wood.

47. The Government estimates that there were 8,500 vehicles on the road as of the beginning of 1967. There are almost 2,000 trucks which are fully utilized only at peak transport periods following the harvests (Appendix Table X). Road freight traffic is expected to grow at an average rate of between 5 and 8 percent annually until 1974.

48. Most roads in the CAR have been progressively upgraded from tracks. Thus, sections of the same road often differ considerably in their characteristics, making it difficult to apply uniform maintenance procedures. There is also insufficient maintenance equipment, and much of the existing equipment is obsolete and not standardized. This had made the supply of spare parts difficult. The Public Works Department's regravelling program has particularly suffered from equipment breakdowns. In 1967, and again in 1968, only about 50 km were resurfaced, as compared with an annual target of 200 km. Additional impediments are the lack of funds and trained personnel and the need to confine maintenance to the dry season lasting about 190 working days. Inadequate maintenance is therefore a serious handicap to development. For example, the extension work of BDPA and CFDT and the collection of cotton are hampered by the bad condition of roads and bridges. This situation is aggravated by the tendency of truckers to use excessively heavy vehicles (axle loads up to 20 tons). Whether a limitation of axle loads would be desirable is a moot question.

49. A UNDP-financed Road Feasibility and Road Maintenance Study, for which the Bank was Executing Agency, has defined a road maintenance program which the Government intends to put in effect, although it will involve substantial additional maintenance expenditures and reallocation of priorities among ministries.

50. There is little air transport, although the country has 45 small airports. Most of these have been financed by ASECNA 1/. Their maintenance

1/ Agence pour la Securite de la Navigation Aerienne en Afrique et a Madagascar.

is entrusted to the prefectures. In the future, better maintenance, rather than creation of new airports should be the goal of ASECNA.

E. Education

51. The general level of education is still very low. The demand for primary education, which is free, is too great for the government in terms of current expenditures and the resultant demand for secondary education. Fifty-eight percent of the relevant age group receives primary and only four percent receives secondary education. Many lower grade primary school classes have over 100 pupils and are taught by poorly trained teachers, resulting in high drop-out rates (40 percent from grade 1 to 6). Instruction is too academic and diversification of the curricula and teaching materials are urgent if a more practical education geared for employment, mainly in the agricultural sector, is to be provided.

52. Secondary school enrollment is only 6,800 in 1969/70 and only 11 percent of these pupils are in the upper cycle. The output of baccalaureats, which was 13 in 1966 has risen to 60 in 1969 and may reach 100 in 1970. This number is too small to meet the nation's needs. In the immediate future therefore, the number of pupils in the upper cycle should be increased to 35 percent of the total. The shortage of teachers and school facilities is also an obstacle to expansion. Only 10 percent of secondary school teachers are nationals, the rest being French technical assistants.

53. Technical and vocational training is given, but should be expanded because the present output of the Accelerated Vocational Training Center could be tripled without creating unemployed graduates, according to the Government. A newly completed Institute for Agronomic Studies, part of the regional university serving all UDEAC countries and Chad, provides higher education in agriculture. The strengthening and eventual expansion of this institution has a higher priority than the planned creation of a national university, which is likely to be expensive and inadequate in providing quality education in view of the limited output of baccalaureats.

54. The CAR authorities have made good use of the broadcasting system for agricultural extension. They have now made an agreement with a French firm to install a TV network in the country in 1971.

F. Public Utilities

a. Electricity and Water Supply

55. Apart from small thermal units in two provincial towns, the only source of electric power in the CAR is the hydro-electric plant at Boali, with an installed capacity of 7,000 kw, and thermal plants at Bangui with installed capacity of 3,300 kw since December 1969. In December 1968, a single public company, "Energie Centrafricaine" (ENERCA) was put in charge of all production, transmission and distribution of power in the CAR. Of the installed capacity at Boali, 5,000 kw is available to Bangui; 1,500 kw serves a textile mill in Boali itself, and 500 kw represents generation and transmission losses. In December 1968, the entire capacity was utilized but the addition of a new thermal unit of 2,400 kw in Bangui in December

1969 has made it possible to supply demand until sometime in 1970. The city of Bangui consumed 27.0 million kwh in 1968 compared with 13.5 million kwh in 1964. This means an average annual increase in consumption of 19 percent.

56. The government has decided to install a fifth turbine in Boali which will bring Boali's installed capacity to 8,750 kw. The government also wishes to add an extra unit to the new thermal plant at Bangui which would increase capacity by a further 2,400 kw. No financing has as yet been arranged for this project. In addition, ENERCA plans to install two thermal units of 150 kw each (300 kw) in five provincial towns. This will necessitate total investments of CFAF 600 million in 1970.

57. Shortages of installed capacity may recur in 1972. A medium and long-term power development plan is, therefore, necessary. This would involve a study of the market, and the most economic means of meeting the demand, including the proposal to develop a second hydro station with an installed capacity of about 12,000 kw at Boali, two kilometers upstream from the existing installation.

58. Local water supply and distribution, which is handled by the local authorities, leaves much to be desired from the standpoint of public health and economy of operation. The EDF has improved some wells and springs and may finance a US$1.6 million project to improve the water supply in the city of Bangui. EDF has also committed the equivalent of US$1.5 million for water supply in Bouar and Bambari, which both suffer severe shortages during the dry season. The distribution and management of water supply will remain a problem. It might be desirable to request ENERCA or a newly established affiliate to take over the water supply from the municipalities. It is not yet a very heavy burden, but, it may become crucial in the future when urbanization increases.

b. Post and Telecommunications

59. The CAR's telecommunications system consists of about 3,000 lines, principally concentrated in Bangui. Two provincial cities close to Bangui are reasonably well connected with Bangui, but from other places it is very difficult to call Bangui. International communications, except for those with Fort-Lamy, Brazzaville and Kinshasa, are provided by the French Cable and Radio Company (France Cables et Radio). P & T expenditures and receipts were nearly balanced in the 1966/68 period and will be so again in 1969 when the government settles his debt with P & T. About 50 percent of the post and telecommunications traffic is for various accounts of the Government and official agencies.

G. Tourism

60. The CAR has considerable long-term tourist potential but the development is handicapped by the relative remoteness and inaccessibility of the country. The landscape of the north and east is varied and contains a wide variety of game. Due to the lack of accommodations and other tourist facilities, the country is not yet able to take advantage of this potential resource.

IV. EXTERNAL PAYMENTS AND MONETARY DEVELOPMENTS

A. Foreign Trade

61. There are three major exports: diamonds, cotton and coffee, accounting for 90 percent of exports to non-UDEAC countries between 1966 and 1969. Diamonds are the most important, but their share has not grown in recent years. Cotton exports have increased most rapidly from 1966 to 1969. Exports to UDEAC countries are mainly textiles, beer, soap, timber, bicycles and motor cycles. In the future, increased competition is expected for soap and textiles in export markets such as Chad (Table 5).

62. Between 1966 and 1968, the value of exports increased by 15.4 percent and imports by 13.5 percent, notwithstanding a reduced coffee exports and less favorable prices. In the same period the unit value of cotton exports decreased by 2.6 percent and of coffee exports by 20 percent. Intra-UDEAC trade (imports and exports) increased by only 9 percent during the same period, i.e. at a slower rate than the increase in total trade, indicating that the economic union may not have been a very significant factor in the direction of trade. CAR exports to UDEAC countries declined severely in 1968 (from CFAF 878 million to CFAF 717 million).

Table 5: CAR - VALUE OF FOREIGN TRADE BY DESTINATION AND ORIGIN
1966 - 1969

(In billions of CFAF)

	1966	1967	1968
I. Total exports f.o.b. CAR border	9.1 /1	8.9	10.5
1. to Non-UDEAC countries	7.6	7.2	8.8
of which EEC	3.7	3.4	4.0
of which France	(2.8)	(3.0)	(3.4)
2. to UDEAC countries	0.7	0.9	0.7
3. not registered /2	0.9	0.8	1.0
II. Total imports c.i.f. CAR border	10.4	12.6	11.8 /1
1. from Non-UDEAC countries	8.6	10.9	9.8
of which EEC	6.4	8.6	7.6
of which France	(5.1)	(6.5)	(5.3)
2. from UDEAC countries	1.6	1.5	1.7
3. not registered	0.2	0.2	0.2

/1 Small differences due to roundings.
/2 Mainly diamond exports (conservatively estimated at 20 or 25 percent of total diamond exports) and some imports, mainly of cattle, from Sudan, Chad and Cameroon.

Source: Appendix Table XI.

63. The value of total imports has been consistently larger than the value of total exports and this trade deficit reached more than CFAF 3.7 billion in 1967, which is more than 42 percent of total exports in that year. The deficit on registered trade with non-UDEAC countries alone was also about CFAF 3.7 billion or more than 52 percent of all non-UDEAC exports. Although the trade deficit returned to the 1966 level in 1968, available 1969 data indicate a possible widening of the trade gap. The increased deficits, however, were mainly due to substantially increased imports of investment goods. Imports of machines, appliances and equipment increased by CFAF 1.5 billion in 1967 and imports of vehicles and spareparts increased by CFAF 0.6 billion in 1968. The trade deficit decreased in 1968 mainly because imports of machines and appliances fell by CFAF 1.2 billion, while exports rose (Appendix Table XII).

B. Balance of Payments

64. The first comprehensive balance of payments statement in the CAR was produced in 1968. It should be considered only an approximation, since all problems relating to the classification of receipts and payments and their calculation have not yet been resolved.

65. Appendix table XIV provides the detailed 1968 balance of payments estimates. On merchandise account, it shows a surplus of CFAF 2.8 billion. There is also a large deficit (almost CFAF 4 billion) on freight and insurance and thus on the overall service account. Trade figures differ markedly from customs data as reported above in the foreign trade section, partly because of substantial differences in coverage and timing, but mainly because imports are valued f.o.b. and exports c.i.f. (Brazzaville or Pointe Noire), while in the customs data imports and exports are entered c.i.f. and f.o.b. CAR frontier. Freight and insurance payments are estimated only indirectly at 30 percent of the c.i.f. import figures. Despite these limitations, the figures confirm the substantial burden on the CAR's balance of payments arising from its landlocked position. Next to freight and insurance, the largest payments were on investment income account (CFAF 930 million) reflecting transfer of profits of enterprises and individual entrepreneurs as well as the interest payments on the public debt. The deficit on investment income is expected to rise further in the next few years.

66. The deficit of CFAF 726 million for government transactions (n.i.e.) conceals very large inward and outward transactions. On the receipt side, this includes the expenditures of foreign embassies and international organizations in the CAR as well as amounts spent in the CAR by foreign technical assistants. On the expenditure side, it comprises the outlays of the CAR for its diplomatic representation, foreign technical assistance, and the CAR's contribution in foreign currency especially to French technical assistance, international organizations and for scholarships abroad.

67. Net private transfers (long and short term) show a surplus of about CFAF 1.1 billion in 1968. Inflows, mainly pension payments by France to CAR resident and gifts from religous and humanitarian organizations exceeded donations of foreigners living in the CAR to their relatives abroad. Despite an over-all net inflow of private capital, sizeable amounts of pri-

vate capital, left the CAR in 1968. Official inward transfers (public long term) include grants from France for the technical assistance already mentioned above, grants from FAC and the EDF amounting to about CFAF 1.2 billion, 1/ transfers from the UDEAC Solidarity Fund, grants for technical assistance from the UN, and other international or multinational organizations, and foreign countries.

68. Monetary movements as shown in the balance of payments show a deficit of CFAF 496 million (US$ 2.0 million) for 1968. This differs from a surplus of CFAF 20 million, measured by the change in the net foreign assets of the banking system as shown in the monetary survey (Table 6). By June 1969 the foreign assets had decreased so considerably that they had become negative (CFAF - 750 million).

C. Monetary Developments

69. The CAR's monetary system, as consolidated in the Monetary Survey (Table 6), comprises in addition to the Central Bank, three commercial banks, the National Development Bank (BND) and the postal checking system. Consolidated data on assets and liabilities of the commercial banks include those for the National Development Bank (BND) (Appendix Table XV).

Table 6: CAR - MONETARY SURVEY, 1965-1969

(in billions of CFA francs)

	1965	1966	1967	1968	1969	
	Dec.	Dec.	Dec.	Dec.	March	June
Assets						
Foreign assets (net)	1.94	1.13	.34	.36	.18	-.75
Domestic credit	4.43	5.75	7.12	8.82	9.37	9.47
Claims on Government (net)	-1.4	-1.26	-.97	-.42	-.43	-.29
Claims on private sector	5.89	7.01	8.09	9.24	9.80	9.76
Liabilities						
Money	5.44	5.37	5.87	7.17	7.68	7.14
Quasi-money	.23	.43	.47	.58	.59	.65
Other items (net)	.69	1.08	1.11	1.42	1.28	1.21

Source: IMF, International Financial Statistics

1/ There is a difference of CFAF 100 million this figure and the foreign aid figures in Table 19 because of time lags in reporting.

70. After increasing by 31.4 percent in 1965, money supply remained almost unchanged in 1966 and increased slightly in 1967. Domestic credit increased, however, reflecting the decline in foreign assets. The exceptionally large increase in money supply in 1968 was attributable almost entirely to the above-mentioned temporary special deposits from abroad. The monetary impact of the credit expansion and of the reduction in government deposits to finance the budget deficits during 1966-1969 has been partly offset by the steady decline in the net foreign assets of the banking system.

71. The Government's net position with the banking system started to deteriorate in 1966 and has virtually deteriorated ever since. Advances to the private sector increased by just over CFAF 1 billion in each of the years 1965 through 1968. Net foreign assets fell sharply in 1966 and in 1967, and continued to deteriorate in 1969, notwithstanding a substantial improvement in the trade balance in 1968.

72. The rapid increase in bank credit to the private sector, financed in part by Central Bank rediscounts, and, since 1967, government borrowing from the Central Bank, have together put pressure on the balance of payments. While credit to the private sector has tended to level off since mid-1968 as the result of restraints put on import credits, government borrowing from the Central Bank has increased. In 1969, the Government came very close to borrowing the total amount permitted under the statutes of the BCEAEC, and requested extension of the repayment period beyond the normal 240 days.

73. The slow growth in deposits (even with the Postal Savings Bank) reflects the low savings potential of the CAR population and the tendency of foreigners to keep idle funds abroad and borrow in the CAR. This is apparently encouraged by the low interest rates in the CAR.

74. While it is too early to judge the effect of the CFAF franc devaluation in August 1969, it is clear that international transport costs have risen by the full amount of the devaluation and transport costs on the African continent somewhat because of increased costs of fuel and other inputs. On the other hand, the CFAF proceeds from all exports have risen except for those from cotton sold in the French market on long-term contracts. Spot sales of cotton in non-franc markets (e.g. Liverpool) have increased considerably since the devaluation, because the price received for spot sales in Le Havre initially rose by only 7 percent and reached 12 percent only five months after the devaluation.

D. National Development Bank (BND)

75. The BND was created in 1961 and its original status was modified in 1965. The Bank's present share capital amounts to CFA Fr 420 million, of which 60 percent have been subscribed by the Government, 33 percent by the CCCE and 7 percent by the BCEAEC. To increase its financial resources, the Bank is empowered to accept deposits from public institutions, to borrow, and to rediscount short-term and medium term paper at the BCEAC. So far, the BND has derived its resources, apart from its share capital, mainly from funds held for account of the treasury and public agencies (the Cotton and

Coffee Stabilization Funds, the Social Security Office and the Post and Telecommunications Office), from rediscounts by the BCEAEC, and from long-term loans by the CCCE.

76. Until the end of 1968, the BND has granted loans for a total amount of about CFAF 10 billion of which about one third in the 18 month period ending December 31, 1968. As a result of the measures taken in connection with the reorganization of the BND in 1965, the activities of BND revived in the year 1966/67. Total credit outstanding increased from about CFAF 1.5 billion at the end of June 1966, to CFAF 2.8 billion at the end of 1968 (Appendix Table XVI). Included in the outstanding loans at the end of 1968 were unpaid debts for CFAF 354 million (12.6 percent) of which CFAF 116 million or 4.1 percent were doubtful and/or disputed. Defaults were mainly for credits granted prior to the 1965 reorganization although there was also an increase in bad debts in 1968. There appears to have been also a positive trend towards longer term lending, and towards the extension of credits to more productive sectors such as industry, agriculture and handicrafts and away from credits for construction of housing. About 31 percent of total credits outstanding at the end of 1968 represented short-term credit, essentially for crop financing; some 34 percent were medium-term loans mainly for commerce, industry and housing construction; and the remaining 31 percent were long-term loans, largely for housing construction and industrial development.

77. The BND plays a rather important and growing role in the banking system of the CAR even for medium- and short-term credit. Its share of medium-term credit increased from 58 percent on June 30, 1967 to 85 percent on December 31, 1968 and its share of short-term credit increased from 16 to almost 22 percent.

V. PUBLIC FINANCE

A. Budgetary System

78. CAR has a very centralized system of public finance. The prefectures and other local authorities receive practically all their resources from earmarked Central Government revenue (recorded in the budget) or from Central Government subsidies. The Cotton and Coffee Stabilization Funds, the Pension Fund and the ENERCA are outside the budget. The Post Office, including its checking and savings accounts, was integrated into the budget in 1965 but became autonomous again in January 1970.

79. All public transactions pass through the Treasury, which until 1969 functioned as a branch of the Office of the Paymaster General of France. As of January 1, 1970 an independent CAR Treasury has been created. The Treasury is able to draw on balances held with it by public agencies to finance its overall cash deficit. The fiscal year is the same as the calendar year but budget accounts are officially kept open until March 31 the following year, but in practice much longer.

80. Only a small part of public capital expenditure is accounted for in the budget: most externally financed investment (FAC, EDF, CCCE, etc.) is outside the budget, as are technical assistance and the cotton productivity program expenditures. Budget capital expenditures unused one year are credited to the following year's budget. These accounting practices make for very confusing budgetary statistics, impairing budgetary management since at any moment the current situation will not be known for several months.

B. Current Receipts

81. From 1966 to 1968 ordinary budget revenue grew by about 14 percent from CFAF 8.1 billion to CFAF 9.2 billion (Table 7). The composition of government revenue has not changed significantly since 1965. Indirect taxes continue to represent the major source of fiscal revenue (about 67 percent annually of total current revenue). Direct taxes provide only about 23 percent. The main non-tax revenue comes from the UDEAC Solidarity Fund 1/ (Appendix Table XVII bis).

Table 7: CAR - ACTUAL BUDGET RECEIPTS AND EXPENDITURES 1966 - 1969 AND BUDGET ESTIMATES 1970

Central Government - Fiscal Year Basis 1/

(in billions of CFAF)

		1966	1967	1968	1969 11 months	1970 Budget
I.	Current receipts	8.1	8.2	9.2 2/	7.9	11.3
	1. Direct taxes	2.0	1.9	2.1	1.8	3.0
	2. Indirect taxes	5.2	5.5	6.5	5.3	6.0
	3. Nontax revenues	0.9	0.8	0.5	0.9	2.3
II.	Current expenditures	7.3	8.7	9.9 2/	8.9	11.3
	1. Wages and salaries	3.6	4.2	4.2	4.5	5.9
	2. Materials and supplies	2.3	2.4	3.3	2.5	4.9
	3. Transfer payments	1.4	2.1	2.2	1.9	2.5
III.	Current surplus or deficit(-)	0.7	-0.5	-0.7	-0.9	-
IV.	Capital expenditures(-)	-0.6	-0.5	-0.3	-0.3	-0.8
V.	Overall surplus or deficit	0.1	-1.0	-1.0	-1.2	-0.8

1/ January to December plus "complementary period" -Jan-March next year.
2/ Difference due to rounding.
Source: Appendix Tables XVII and XVIII and data supplied by the CAR authorities (Treasury).

1/ A fund to which contribution were made by all member states of UDEAC (until 1968) and distributed to benefit most those which suffer from their landlocked position.

82. Direct taxes consist mainly of personal taxes, income taxes, licensing fees and property taxes. Personal taxes consist principally of a head tax of between CFAF 400 and CFAF 2,500, depending on the place of residence, and a surtax of CFAF 1,230 paid by every taxpayer. Persons earning less than CFAF 180,000 a year pay personal taxes. Others pay income taxes and the previously mentioned surtax. Business profits are taxed at a rate of 27.5 percent. Income from property taxes (27.5 percent of rental income) increased in 1968 when these taxes, previously confined to the urban areas, were extended to the whole country.

83. Indirect taxes consist mainly of import taxes, excise and sales taxes, the single tax, and export taxes. The "single tax" (taxe unique) is levied on industrial enterprises which sell in the market of at least two member countries of UDEAC and accrues to the country of final consumption of the product. The increase in single tax receipts reflects both growing imports from UDEAC countries and the rising number of firms producing for the whole UDEAC market. Import taxes account for about 40 percent of total current revenue and excise and sale taxes and the single tax each for about 9 percent (Appendix Table XVII bis).

84. In April 1968, when CAR and Chad announced their intention to leave UDEAC at the end of that year, payments were upheld. About CFAF 280 million is due for thelast three quarters of the 1968 Solidarity Fund and CFAF 80 million under Article 33 of the UDEAC treaty, which provides reimbursement of customs and fiscal duties for goods imported from another UDEAC member country (re-exports). CFAF 180 million of the CFAF 400 million for the 1969 Solidarity Fund was still to be received in November 1969.

C. Current Expenditures

85. Wages and salaries is the largest single category of current expenditures, accounting for more than 50 percent of current expenditures in the first 11 months of 1969 as against 43 percent in 1968 (Table 7). The number of central government employees (military personnel excluded) increased by 17 percent in 1969. Wage and salary payments are high despite the fact that there are still large numbers of foreign technical assistance personnel, mainly from France. About half of these experts work in education and health. Government expenditures in these two fields already amount to more than CFAF 2 billion per year or about one quarter of all current budget expenditures, and might be much higher if no foreign personnel were available. Transfer payments are rather large in the CAR because revenues for local authorities are recorded in the central budget first.

86. Except for debt servicing expenditures, which quintupled between 1966 and 1969, defense expenditures increased most rapidly in this period (Appendix Table XVII). They rose by almost 50 percent between 1966 and 1968 notwithstanding a military agreement with France which provides French military assistance in case of outside aggression or to restore internal order.

D. Capital Expenditures

87. Capital expenditures financed by the central government's budget have never been very important (less than 10 percent of capital expenditures) and in recent years they have even decreased. They declined from CFAF 618 million in 1966 to CFAF 258 million in the first eleven months of 1969 (Appendix Table XVII). Extra-budgetary development expenditures are financed by foreign aid, principally from the European Development Fund (EDF) and France (Chapter VI).

E. Financing of the budget deficit (Treasury operations)

88. It has been impossible to reconcile data on budget deficits with the Treasury accounts mainly because treasury figures are on a cash and a calendar year basis, where budget figures are on a fiscal year basis.

89. Most of the large 1968 cash deficit was met by discounting customs duty bills and drawing down Treasury balances. In 1969 the deficit was primarily financed from Central Bank credit and an accumulation of arrears in payments. The methods of financing used in the last two years point to the need for more careful budgetary management in 1970. Thus far no Treasury bills have been issued in the CAR. As a consequence of the deterioration of public finances, the Government had recourse to direct central bank advances in June 1968 for the first time, and throughout 1969 (Table 8).

F. The Future of Public Finances

90. In May 1970 the Government approved its 1970 budget. On paper this budget is almost balanced as far as current revenue and current expenditures are concerned, but there are also CFAF 0.8 billion of capital expenditures planned, for which no revenue is available, and hence, the overall 1970 budget has again a CFAF 0.8 billion deficit, which is exactly the same as the average estimated budget deficit in the previous three years. The Government hopes that the Central Bank will increase the upper limit of Central Bank advances by about 50 percent and also hopes to collect more taxes than estimated in the budget. However, revenue estimates are already 10 percent above those of 1969, which are overestimated, and no substantial new revenues have been created, except for an individual diamond diggers license fee and increased taxes on alcohol, whose joint revenue may amount to CFAF 500 million. It is difficult to increase receipts considerably, as they constitute already 20 percent of GDP at current market prices and more than 25 percent of monetary GDP. The Government will therefore need to take vigorous measures to stop the increase in expenditures and even to cut certain non-priority expenditures from the 1970 budget (Table 7).

Table 8: CAR - TREASURY OPERATIONS AND FINANCING, 1966 - 69

(In millions of CFAF on a calendar year cash basis)

		1966	1967	1968	1969 11 months
I.	Total budgetary receipts	9,369	9,969	10,450	9,232
II.	Total budgetary expenditures	-9,578	-10,030	-11,702	-10,050
III.	Total extrabudgetary receipts or operations	97	-8	75	-50
IV.	Overall surplus or deficit (-)	-112	-69	-1,177	-868
V.	Financing	112	69	1,177	868
	1. Borrowing	139	50	--	--
	External /1	129	50	--	--
	Internal	10	--	--	--
	2. Central bank direct advances	--	--	--	650
	3. Treasury loans	-32	-26	4	2
	4. Changes in arrears	-68	491	-44	218
	5. Cash operations	-135	474	741	10
	Central Bank	294	92	--	-10
	Custom duty bills	-157	51	716	--
	French Treasury /2	-272	331	25	20
	6. Changes in Treasury position /3	208	-920	476	-12

/1 French budget subsidies.

/2 Part of the combined French/CAR Treasury's cash owned by the CAR.

/3 Includes mainly deposit accounts of some of the public and semipublic institutions, private account deposits with the Treasury, and the suspense accounts (budgetary and extrabudgetary operations) for which no breakdown is available.

Source: Data provided by the CAR authorities.

VI. INVESTMENT AND ITS FINANCING

A. The Development Plan

91. Until independence in 1960, investment expenditures were planned and financed through the French Investment Fund for Economic and Social Development (FIDES). After independence, a Preliminary Investment Program (1960-62) and an Interim Development Plan (1965-66) were partially implemented. Out of a total planned expenditure of CFAF 30 billion only 24.7 percent were disbursed (CFAF 7.41 billion) in the two year period 1965-1966.

92. Planned investments for the years 1967-70 amounted to CFAF 36.9 billion, of which 76.8 percent was in the public and 23.2 percent in the private sector. This plan should have given priority to economic infrastructure and to productive sectors, mainly agriculture. Instead, more than a quarter of investment was planned for social and administrative investment such as housing and urban development (Table 9).

93. The reluctance of foreign aid institutions to finance urban development helped change the initial priorities of the Plan. Although only 23.4 percent of total investment was scheduled for industrial production, and 17.8 and 17.6 percent respectively for agricultural production and economic infrastructure, the investment in the first two years was substantially greater than planned. It amounted to 46.9, 33.3 and 29.6 percent respectively.

94. However, disbursements in the first two years of the plan period amounted to CFAF 13.1 billion or only 35.5 percent of all expenditure planned for the four-year period (64 percent of the expenditure planned for 1967 and 1968). Financing was also assured for a further CFAF 5 billion by the end of 1968. This will only ensure the eventual execution of 49 percent of the planned target. Execution of the plan has lagged because many projects failed to obtain support from foreign aid agencies, and deficiencies in staffing and organization hindered the preparation and implementation of projects. In some cases, a shortage of financial resources, particularly from the budget, may also have played a role, but more external financing would probably have been available had good projects been prepared in time and their implementation been effectively organized. The large number of projects for which financing was already available at the end of 1968 and which had still not been implemented at the end of 1969 (CFAF 5 billion) are an indication of this problem.

Table 9: CAR - FOUR-YEAR DEVELOPMENT PLAN 1967 - 1970, PLANNED AND ACTUAL INVESTMENT 1967 - 1968

(in billions of CFA francs)

	Planned Investment		Actual Investment				Financed but not spent[1]
	Total (1)	% of (1)	1967	1968	Total 1967/1968 Amount	Total 1967/1968 as % of (1)	
Social and Administrative investment	9.9	26.8	1.2	2.1	3.3	33.1	0.5
Industrial Production	8.6	23.4	3.7	0.3	4.0	46.9	0.6
Agricultural Production	6.6	17.8	1.1	1.1	2.1	32.6	1.6
Economic Infrastructure	6.5	17.6	0.9	1.0	1.9	29.2	1.8
Research and Experiments	3.3	8.8	0.7	0.5	1.2	37.4	0.5
Training	2.1	5.5	0.2	0.3	0.5	25.6	-
TOTAL	36.9[2]	100.0	7.8	5.3	13.1[2]	35.5	5.0[2]
of which:							
Public investment	28.3	76.8	4.5[3]	2.8	7.3	25.9	
Private investment	8.6	23.2	3.3	2.5	5.8	67.5	
of which							
External financing	19.3	52.4	5.1[3]	1.2[3]	6.3	32.7	
Domestic financing	14.1	38.2	2.7	4.0	6.7	47.4	
Unknown or undecided as of Jan. 1, 1969	3.5	9.4	-	0.1	0.1	2.7	

[1] As of December 31, 1968.
[2] Difference due to rounding.
[3] Estimate based on partial figures. Public investment must include more than CFAF 2 billion of expenditures in 1966 or earlier for projects included in the Plan.

Source: Appendix Table XIX.

95. The Planning Office has played a less important role in CAR than in other developing countries. After the first two years of the 1967-70 Plan, during which the Planning Office gained in importance, its influence declined in 1969. By the end of 1969, the Planning Office was little more than an administrative unit to keep track of foreign aid allocations. All French and other technical assistance had left. In an attempt to revitalize the Office for a new Four-Year Plan, it was promoted to Ministerial level at the end of 1969.

96. In the future, to draw up a new development plan, the Ministry of Planning will need to employ new foreign experts and to fully use the small core of competent Central African civil servants. Unfortunately, many trained and experienced Central Africans are on overseas assignments, and there has been little continuity of personnel. The new plan is expected to be published by the end of 1970.

B. Total Investment

97. Estimated annual investment in the CAR is summarized in Table 10 below. Investment increased from 17.5 percent of GDP in 1964 to 18.5 percent in 1967, the first year of the Four-Year Plan, but fell again thereafter to about the 1965 level. About 47 percent of investment in the first two years of the Plan were financed domestically, mainly through the private sector, the budget and the BND. Investment is unlikely to increase above this level (CFAF 8 - 9 billion) in the near future because of low domestic savings capacity and the tendency for total foreign aid to decline. This is particularly so in view of the low level of commitments for Plan investments at the end of 1968, and the absence of any major projects on the point of being carried out.

98. Capital expenditures financed by the central government's budget have never been very important (less than 10 percent of capital expenditures), and in recent years they have decreased from CFAF 618 million in 1966 to CFAF 258 million in the first eleven months of 1969.

Table 10: CAR - PUBLIC AND PRIVATE INVESTMENT IN 1963-1968

(in billions of CFAF)

	1964	1965	1967	1968	1969
Total domestic investment	7.2	7.6	8.6/1	7.6	n.a.
of which non-monetary	2.0	2.0	2.0	2.0	2.2
Public investment	2.7	3.2	2.0	2.0	n.a.
of which Extra-budget	2.4	2.2	1.5	2.5	n.a.
Development budget	0.3	1.0	0.5	0.3	0.3
Investment as percentage of GDP	17.5	n.a.	18.5	n.a.	n.a.

/1 National accounts data report an additional CFAF 1.1 billion change in stocks.

Source: Appendix Tables and mission estimates.

C. Foreign Aid

99. Most of public investment, and - to a large extent - the current balance of payments deficit, are financed by foreign public aid. The main sources of external aid are summarized in Table 11. Within the period covered by the data, France was the principal source of capital aid, but the total amount has been declining. In addition to this capital aid, France provides technical assistance costing some CFAF 1.25 billion annually. In 1968, when France cut aid expenditures to CFAF 820 million, FED disbursements were greater, at CFAF 850 million.

100. Several other countries have made small grants and provided some technical assistance to CAR, but the only others of any importance have been the Federal Republic of Germany and the United States. The latter is now only providing assistance for a few "regional" projects. IDA disbursements have been negligible so far, but a $4.2 million (CFAF 1.2 million) commitment was made in 1969 for a road project.

Table 11: CAR - DISBURSEMENTS OF FOREIGN AID,/1 1964-68

(In million of CFA francs)

	1964	1965	1966	1967	1968	1969 partial
France	1,031	1,214	1,341	980	821	n.a.
FAC grants	560	928	940	660	467	n.a.
FAC loans	-	-	58	13	33	n.a.
CCCE loans	138	86	214	257	321	n.a.
Budget grants	333	200	129	50	-	n.a.
European Development Fund grants	313	910	793	866	853	586 /2
U.S. grants	256	187	237	105	50	n.a.
German loans	-	222	134	172	-	n.a.
Mainland China loan	-	500	-	-	-	-
Total	1,540	2,957	2,537	2,084	1,654	n.a.
of which Grants	(1,462)	(2,225)	(2,099)	(1,681)	(1,370)	n.a.

/1 Does not include technical assistance which is estimated at CFAF 1,250 million annually.
/2 Six months
Source: Data provided by the Central African Republic authorities.

101. FED grants were initially mainly for rural development and infrastructure, but the emphasis has now shifted to education and production. A large part of the latter are for other price support and subsidies, but this will probably be reduced under the third FED (1970-74) in favor of more aid for diversification of agriculture and industry (Appendix Table XX).

102. FAC aid has been used for a wide range of projects with special emphasis on agricultural production and infrastructure. FAC commitments totalled about CFAF 5 billion in the 5-year period 1964-68, of which about CFAF 3.7 billion was disbursed, and in 1969 a further CFAF 874 million was committed. About 40 percent of commitments were for investment in production, and a further 27 percent for economic infrastructure. The rest was for social infrastructure, research and studies. The sharp decline in FAC disbursements is largely due to the completion of the new Bangui airport in 1967, and to reduced commitments for production aid (Appendix Table XXI).

D. Public Debt

103. As already mentioned earlier, the external public debt of the CAR has increased considerably over recent years and annual payments under the CAR government budget have quintupled between 1966 and 1969. As of June 30, 1969, total external public debt outstanding amounted to the equivalent of US$30.8 million or CFAF 8.6 billion of which almost one-third was incurred in the first 6 months of 1969 (Appendix Table XXII). Almost all foreign debt outstanding on December 30, 1968 and even a considerable amount of the new debt incurred in 1969 has been disbursed except for the US$4.2 million IDA credit for the construction of the Bangui-MBaiki road. The new debt of 1969 was only to a small percent for projects included in the Four-Year Development Plan. The largest single loan was DM 6.4 million from the German Kreditanstallt fur Wiederaufbau for the purchase of a river fleet (4 pushers and 16 barges). There was also the equivalent of US$2.6 million in French francs of which US$0.6 million was for the installation of new equipment (fifth turbine) at Boali. The rest was for purchase of the shares of the company that owned Boali; to reimburse FIDES for debts taken over from ENERCA's predecessor, and an advance from CCCE. The large suppliers credit from Switzerland was for the purchase of a presidential small executive jet.

104. About 50 percent of all debt is held by France, the rest mainly by the Federal Republic of Germany and Mainland China. Once all debt outstanding on June 30, 1969 has been disbursed, annual reimbursements will increase from US$2 million (CFAF 555 million) in 1969 to US$2.9 million (CFAF 805 million) in 1971 (Appendix Table XXIII). This amounts to 4.8 and 7.0 percent of 1968 exports of goods and services respectively. In the first 11 months of 1969, budget disbursements for debt service amounted to about 5.6 percent of total ordinary budget outlays and this percentage may well increase to 10 percent by 1971. The size of the foreign debt service is still less alarming than the rate at which it increased in 1969. In the future greater care in contracting new debt obligations will be necessary.

105. The internal public debt is quite small. It amounts to CFAF 328 million floated in 1965 and 1966. So far, the government has not yet issued any short- or medium-term Treasury bonds.

VII. PROSPECTS FOR THE FUTURE

106. Since 1961 economic growth has barely kept pace with increasing prices and growing population. Although production of cotton has made remarkable progress, the output of coffee, traditionally the most important crop, has stagnated, and growth in livestock and forestry, the potential growth sectors, has been good, but the base was so small that the impact has been rather negligible. The rapid growth in the artisanal diamond sector appears to have levelled off, and has created its own problems. The Government's most pressing issue is the budgetary problem. The monetary and balance of payments situation also call for some improvement, but this is not, in practice, completely within the scope of Government policies in the CAR.

107. An assessment of CAR's problems and prospects must give full weight to its particular difficulties. It has a small, poorly educated population in a large country with undeveloped resources, enormous distances from markets and sources of supply. In the best of circumstances, it is going to be difficult to develop its economy.

A. Production and Exports

108. Prospects for long-run growth in agriculture and forestry production are not bad: the livestock sector has considerable potential if diseases can be controlled; there is a large unexploited forest reserve, and cotton and coffee production can be increased. However, these will not have so much impact on GDP over the next five years that a substantial real increase in per capita GDP can be expected; rather, a very limited growth or continuing stagnation is to be anticipated. There are limited possibilities for agricultural diversification (tobacco, sesame, rice) and fisheries. Limited increases in the value of diamond exports are possible, particularly by expanding local cutting and polishing, but not likely; the uranium complex will come into production in 1973, and industrial production is expected to continue to expand, especially textiles.

109. The Government has prepared a new cotton plan for the period 1970/71 - 1974/75 aiming at increasing cotton output about 100 percent (to 120,000 tons seed cotton) by increasing the area under the productivity program from 45,000 hectares to 122,800 hectares. It would be more realistic to aim at increasing production by about 50 percent to 90,000 tons of seed cotton through increasing the area under the productivity program to 85,000 ha. This would allow the CAR to increase its exports of cotton lint by about 50 percent in the same period, which in itself would be a great success.

110. The cotton productivity effort must continue to receive first priority so that cotton, which is already the farmers' main source of cash, continues to increase their living standards and to reduce the trade deficit. Expansion of the productivity program should increase the area treated both with fertilizers and insecticides rather than with insecticides alone. In

view of the substantial increase in revenue per hectare of cotton planted, and the considerable amount of subsidies which will remain necessary in the next five years, a further reduction in subsidies for productivity inputs would be advisable.

111. To reduce progressively the reliance on meat imports, development of livestock production must be accelerated. To reach this goal, the Livestock Development Directorate and the Livestock Development Office (ODEL) will have to become more effective in project implementation. A more rapid expansion of forestry production could also improve the CAR's balance of trade somewhat. Therefore, all possible efforts should be made to assure potential private investors that there is a long-term future in this activity.

112. Cotton and timber exports are expected to increase further in the coming years, the latter rather rapidly. If sufficient labor can be released from diamond digging, exports of coffee should also increase again, at least to the previously attained level of about 12,000 tons. In the long run there can also be a substantial increase in the production of the livestock sector, which would lead to a substantial decrease in imports of cattle. Notwithstanding this long-run potential in CAR for livestock, Chad and the CAR will continue to be complementary countries for meat supply and consumption. It is therefore in the interest of both countries to organize an integrated meat market with well established economic supply routes, and eventually mutually profitable slaughtering facilities in Bangui. The creation of a meat supply corridor from Chad to the CAR (eventually with a Sudan branch) is under study.

113. Rough projections of future exports made by the mission are shown in Table 12. According to these projections, total exports, with uranium exports taken on a net basis, are expected to increase at an annual rate of 6 percent between 1968 and 1975. Diamond exports are expected to stagnate or even decrease in quantity, but increased diamond cutting should at least keep the value of diamond exports constant. Coffee production is estimated to increase to only 12,000 tons, because manpower problems often take a long time to be resolved. This is still rather optimistic, but depends only partially on the need for more labor, and requires only a small increase in the export quota. Coffee prices are assumed to remain stable at the average level reached during the period 1966 - 1968. Timber exports, which almost doubled between 1967 and 1968, can continue to expand considerably for several years, but because of transport and other uncertainties, we have estimated that about CFAF 100 million of new timber exports will be added annually until 1975. After 1972, exports of uranium concentrate are expected to add CFAF 2.5 billion per year to exports, of which only the amount necessary for the local costs of the operation and for profits and taxes accruing to the CAR government will affect the balance of payments positively. Therefore, only a net figure of CFAF 1 billion is included in the mission's export projections.

Table 12: CAR - PROJECTIONS OF EXPORTS, 1970-1975

(In billions of CFAF)

	1970	1971	1972	1973	1974	1975
Total exports	12.0	12.3	12.9	14.4	15.1	15.7
Exports outside UDEAC	10.0	10.2	10.7	12.1	12.7	13.2
Diamonds	5.0	5.0	5.0	5.0	5.0	5.0
Cotton lint	2.9	2.9	3.1	3.3	3.6	3.9
Coffee	1.2	1.3	1.4	1.5	1.6	1.7
Uranium (net)	-	-	-	1.0	1.0	1.0 /1
Forest products	0.4	0.5	0.6	0.7	0.8	0.9
Other products	0.5	0.5	0.6	0.6	0.7	0.7
Other exports /2	2.0	2.1	2.2	2.3	2.4	2.5

/1 Gross value of uranium exports will be about CFAF 2.5 billion.
/2 Includes UDEAC and unregistered exports or imports.

114. Imports are expected to rise considerably during the next five years. If present levels of capital inflow continue, imports of capital goods will be particularly high in the next three years because of investment in uranium mining and textile plants. There will also be some increase in imports of consumer goods, despite further import substitution.

115. The development of agriculture in the south-western tip of the CAR is inhibited by labor shortages due to increased diamond digging in this region. This particularly affects plantation coffee production. Efforts should be made to organize diamond digging more efficiently, so that workers can be released for agriculture. The Government's desire to allow CAR nationals to participate in diamond mining is very understandable, and artisanal mining clearly is a productive form of employment for some of the labor force, but too many small-scale operations by individual producers are wasteful and inefficient. The potential of the alluvial beds is impaired by these methods, and the same results could be achieved by employing fewer men in a more organized way.

116. One means of achieving this which should be carefully studied, might be to introduce digging license fees and thus to control the number of diggers. This would tend to concentrate their activities, facilitate tax collection and reduce smuggling. It would also release some labor for agriculture. However, the present shortage of labor for agriculture may

be as much a reflection of low productivity and low cash returns in that sector as of the higher (if more speculative) earnings from even the most primitive diamond digging. It would therefore be unrealistic to expect the control of individual digging to have a great effect on the supply of agricultural labor. One should also mention that the present system, though inefficient, is presumably politically popular, and any measure which tends to take diamond revenues out of the hands of some small producers would probably encounter resistance.

117. The Government should also try to break the stalemate with the private mining companies, either by a new agreement or by compensating them for the seized assets and by creating a new production unit, perhaps on a cooperative basis, but assured of good management. The production unit would have to be as large as possible, to make the necessary adequate supervision and management possible and economic. An agreement with the existing production companies, which have long experience in the CAR, would be the least risky alternative. To make such an agreement a lasting one, a long-term commitment on a schedule of mining rights should be made. The government should therefore renew its efforts to get a competent United Nations mining rights expert to draw up such a schedule and, if possible, to study the whole structure of the diamond industry.

B. Development Planning and Foreign Aid

118. The new development plan should concentrate on immediately productive projects and the relevant infrastructure, and give less priority to social expenditure. Greater emphasis should be placed on project preparation and more efficient implementation. A monetary investment target of about CFAF 7 billion annually should be considered as reasonable for the next four-year period, but investment efforts should be carefully selected to assure a high output ratio. In terms of physical production, the main target of the new development plan should be continued increases in cotton and coffee production, and a larger increase in forestry and livestock production. Other targets would be to increase tobacco, cocoa and rice production (the latter mainly for local consumption); to reach a production of cut diamonds of 20 percent of the gem production; and to increase further the production of textiles and related products if this can be done efficiently.

119. Public foreign aid, apart from the Bank Group's potential contribution, may well continue to decline in the near future. However, the rate of investment, which decreased from CFAF 6,600 per capita in 1967 to CAFA 5,200 per capita in 1968 and which will probably be lower in 1969, is expected to increase again in the 1970-1972 period under the impulse of private investment in progress (CFAF 8 billion for uranium) or contracted (new textile factories) and of the new plan. Apart from these private investments CAR will have to continue to rely on foreign public assistance for almost all of its additional investments. The amount of new foreign public debt contracted in the first six months of 1969 is so high that the government will have to scrutinize further foreign public debt, especially

on hard terms, very carefully, if it is to avoid a heavy repayment burden in the near future. Accelerating FED, FAC and IDA projects in the pipeline would be the most effective way of increasing the rate of investment on soft terms.

C. Public Finance

120. The CAR should be able to cover its own current budget expenditures and even make contributions to capital expenditures of more than CFAF 500 million, as was the case in 1966, when the current surplus was CFAF 730 million. The surest way to reach such an amount of public savings again is by a progressive reduction in the current budget. This will require careful scrutiny of all expenditures including those for defense which almost doubled between 1966 and 1968.

121. Action to increase revenues should also be considered. In this connection the Government should explore the possibilities for new export taxes resulting from the devaluation of the CFA franc. Diamond exporters, for example, received a windfall profit of more than 11 percent on their exports, but no effort has been made to tax an extra part of this. The rise in the CFAF price of other exports may also provide a margin for higher taxes. The government should also try to obtain payment for the amounts receivable from the 1968 UDEAC Solidarity Fund.

VIII. CONCLUSIONS

122. CAR is a country with some resources, but with a considerable number of problems. Transport is expensive, savings are low, and to a large extent sent out of the country. The population as a whole and even many of the civil servants have received inadequate training for the formidable task of development which is still ahead.

123. Future investment priorities are unclear. This report suggests some directions that should be explored (for example, cotton, forestry, livestock, reorganizing diamond mining, road maintenance), but does not hold out any hope for significant economic development in the short term. Even in the longer run, development should not be expected to come from any one specific project, but rather as a result of a combination of modest efforts in several fields.

124. It is difficult to anticipate how much foreign financing the CAR will need in the years ahead. In the private sector, the volume of investment will be determined by available opportunities. In the public sector, this will be determined by the availability of projects suitable for external financing, and by the level of public savings. Even assuming a substantial improvement in budgetary performance and a likely improvement in the balance of payments in the medium term, CAR will continue to need

a substantial amount of foreign financing on concessional terms from various sources, because the country cannot be expected, other than in exceptional circumstances, to contribute significantly to public savings. GDP per capita is only about $130, and very rapid growth cannot be expected. Exports are only expected to grow at an annual rate of 4.5 percent during the period 1970-75, if only a net jump of CFAF 1 billion due to the start of uranium exports is taken into account in 1973.

125. Investment projects in the CAR require considerable amounts of foreign financing because there is almost no local production of investment goods. To reach an annual monetary investment level of CFAF 7 billion with CAFA 500 to 900 million savings by the Government budget and CFAF 2.5 to 3 billion inflow of foreign aid from all sources including IDA, another CFAF 3 to 4 billion will still be necessary from private sources. The debt service ratio which in 1969 amounted to 4.8 percent of total 1968 exports, will increase to 7 percent in 1971, even if no new debts were contracted after June 30, 1969. Hence the need for grants and credits with long amortization periods and low interest rates.

126. The already high level of taxation and the lack of public savings precludes a significant contribution of the Government to project costs. Although there may be some scope for selective cuts in Government expenditures, and although there should be some public savings, it may be difficult to reduce recurrent expenditures below the present level of current revenues, especially in view of the need for larger outlays on road maintenance and other essential services. Under these conditions, IDA should continue to be prepared to finance a very high percentage of total cost, including local costs of projects.

APPENDIX

Table I : CAR - PRICE INDICES FOR THE CITY OF BANGUI, 1961-69

Annual averages except in 1969

	1961	1964	1965	1966	1967	1968	1969 June
I. Wholesale prices 1/			(1958 = 100)				
Foodstuffs	113	140	150	148	158	163	166
Fuel and electricity	135	149	152	140	155	162	162
Industrial materials	114	133	146	151	154	156	164
General wholesale price index	117	138	148	148	155	159	164
(1961 = 100)	100	118	126	126	132	136	140
(1964 = 100)	85	100	107	107	112	115	119
(1967 = 100)	75	89	95	95	100	102	106
II. European consumer prices 2/			(1956 = 100)				
Foodstuffs	151	191	215	218	217	231	225
Utilities	125	130	132	135	141	145	154
Household services	132	169	169	169	169	169	169
Clothing	168	214	240	248	251	281	297
Other	145	159	166	186	209	206	205
General European consumer price index	147	180	197	203	206	216	215
(1961 = 100)	100	122	134	138	140	147	146
(1964 = 100)	82	100	109	113	115	120	120
(1967 = 100)	71	87	96	99	100	105	104

Sources: CAR, Bulletin Mensuel de Statistique

1/ Computed by recording once a month prices of 53 articles, the majority of which are imported goods. The largest weight is given to industrial products, 55 per cent, while foodstuffs have a weight of 30 per cent, and energy of 15 per cent.

2/ Calculated by recording the prices of more than 100 articles, of which 60 are imported in shops in Bangui, usually patronized by Europeans.

Table II : CAR - COTTON PRODUCTION, PRODUCTIVITY AND PRICE STABILIZATION PROGRAM 1965/66-1969/70 AND PROJECTIONS 1970/71-1974/75, SELECTED YEARS

(Production in thousands of tons, prices in CFAF per kg and totals in millions of CFAF)

	1965/66	67/68	69/70 1/	70/71	72/73	74/75
(1) Production of						
a) seed cotton	24.5	49.0	64.6	66.5	76.4	90 0
b) ginning outturn in %	36.7	36.5	38.0	38.0	38.0	38.0
c) cotton lint	9.0	17.9	24.6	25.2	29.1	34.2
d) of which exported	7.2	15.3	22.0	22.5	26.0	31.0
(2) Total value of exports (1d)x(6) in millions CFAF	902.2	2,084.7	2,860.0	2,925.0	3,250.0	3,875.0
(3) Price to producer						
a) white seed cotton	28.0	28.0	30.0	30.0	30.0	30.0
b) yellow seed cotton	22.0	22.0	22.0	22.0	22.0	22.0
c) % yellow cotton	12.0	16.5	10.0	10.0	10.0	10.0
d) weighed average	27.4	27.4	29.2	29.2	29.2	29.2
(4) Cost of cotton lint per kg	154.5	143.8	140.4	139.4	135.4	130.4
a) Production costs of cotton lint	74.4	73.7	78.0 2/	78.0	78.0	78.0
b) Transformation and transport costs	72.8	62.7	55.0	54.0	50.0	45.0
c) Export taxes per kg	7.3	7.4	7.4	7.4	7.4	7.4
(5) Cost of cotton lint with by-products	146.4	135.9	137.5	136.5	132.5	127.5
(6) Sales price FOB per kg of cotton lint	125.1	136.7	130.0	130.0	125.0	125.0
(7) Price support CFA per kg (5) - (6)	21.2	-0.8	7.5	6.5	7.5	2.5
(8) Total price support (1d) x (7)	153.3	-12.2	165.0	146.3	195.0	77.5
(9) Total EDF subsidy Productivity program	36.7	57.4	132.0	142.4	129.8	171.7
(10) Total subsidy (8) + (9)	190.0	45.2	297.0	288.7	324.8	249.2
(11) Total export taxes (1d) x (4c)	52.4	113.5	162.8	166.5	192.4	229.4
(12) Net subsidy (10) - (11)	137.6	-68.3	134.2	122.2	132.4	19.8

1/ Estimates

2/ The increase in average producer price of CFAF 1.8 per kg amounts to an increase of CFAF 4.56 in the cost of cotton lint.

Source: Vol. II, Appendix Table IV.

Table III: CAR - COTTON INDUSTRY RETURN TO FARMERS PER HECTARE CULTIVATED TRADITIONALLY AND UNDER PRODUCTIVITY PROGRAMS, 1967/68 - 1969/70 AND PROJECTIONS FOR 1970/71 - 1974/75, SELECTED YEARS

(in CFAF per hectare)

	1967/68 Actuel	1969/70 Estimates	1970/71 PROJECTIONS	1972/3 PROJECTIONS	1974/75 PROJECTIONS
Traditional Cultivation					
(1) Income	9,042	10,220	10,220	10,220	10,220
Productivity Program A					
(2) Gross income 1/	23,290	24,820	24,820	24,820	24,820
(3) Net income with subsidy	20,790	21,820	21,320	19,620	17,820
(4) Net income without subsidy	16,090	17,820	17,680	17,392	17,093
(5) Inputs	7,200	7,000	7,140	7,428	7,727
(6) Subsidized inputs	4,700	4,000	3,640	2,228	727
(7) Farmer's contribution	2,500	3,000	3,500	5,200	7,000
Productivity Program B					
(8) Gross income	17,810	18,980	18,980	18,980	18,980
(9) Net income with subsidy	16,410	17,580	17,480	16,680	15,980
(10) Net income without subsidy	14,710	15,880	15,818	15,690	15,557
(11) Inputs	3,100	3,100	3,162	3,290	3,423
(12) Subsidized inputs	1,700	1,700	1,662	990	423
(13) Farmer's contribution	1,400	1,400	1,500	2,300	3,000
Average income per ha	10,420	13,532	13,896	14,059	14,220

1/ Under the assumption that the producer price remains at CFAF 30 per kg.

Source: Vol. II, Appendix Table VI.

Table IV : CAR - COST PRICE OF LOGS AND SAWN TIMBER EXPORTED OVER THE LOBAYE RIVER, NOVEMBER 1969

(In CFAF Francs)

	LOGS				LUMBER			
	Ayous		Sapelli		Ayous		Sapelli	
	m^3	tons	m^3	tons	m^3	tons	m^3	tons
Cost price border of forest	1,500	2,500	1,500	2,000	12,000	19,200	12,000	16,000
Transport cost	2,224	3,702	2,603	3,253	2,820	4,592	4,358	4,595
Handling	1,194	1,993	1,393	1,738	996	1,612	1,185	1,240
Insurance	57	95	57	72	14	24	16	24
Taxes	363	603	398	497	661	1,150	759	821
Of which export tax	(-)	(-)	(-)	(-)	(425)	(740)	(425)	(460)
Total cost, FOB Pointe Noire	5,338	8,893	5,951	7,560	16,491	26,578	18,318	22,680
Maritime Transport	9,000	9,000	9,000	9,000	10,000	10,000	10,000	10,000
Total cost CIF European ports	14,338	17,893	14,950	16,560	26,491	36,578	28,318	32,680

Source: Vol. II, Appendix Table XIII.

Table V bis: CAR'S AND OTHER AFRICAN COUNTRIES' PRODUCTION OF DIAMONDS COMPARED WITH WORLD PRODUCTION OF DIAMONDS, 1964 - 1969
(in thousand carats and in percent)

Country	1964		1965		1966		1967		1968	
	Total	Gems	Total	Gems	Total	Gems	Total	Gems	Total	Gems
1. Africa (except South Afr.)	27264	3446	24869	3011	25577	3409	25393	3389	19657	3980
Angola	1149	874	1155	887	1268	968	1289	983	1667	1316
Sierra Leone	1463	585	1462	658	1462	629	1400	560	1410	560
Congo (Kinshasa)	14752	295	12504	14	12430	12	12892	1	11904	551
Congo (Brazzaville) 1/	5265	316	5300	318	5300	300	5000	n.a	n.a	n.a
Liberia	571	298	540	277	555	343	543	362	750	537
Tanzania	664	338	328	414	947	474	987	864	683	356
CAR	442	221	537	268	540	270	520	260	609	305
Ghana	2668	378	2273	25	2819	282	2537	254	2447	245
Ivory Coast	200	120	198	119	184	110	175	105	187	110
Guinea	72	21	72	21	72	21	50	n.a	n.a	n.a
2. South Africa of which	5991	3177	6591	3439	7894	4428	8504	4587	9155	4951
South West Africa	1541	1387	1646	1491	1759	1583	1701	1531	1722	1552
3. Rest of World	4611	1108	5594	1290	6518	1445	7528	1658	7383	1669
4. Total (1+2+3)	37866	7731	37054	7740	39989	9282	41425	9634	36195	10600
5. a. CAR production as % of African prod.	1.6%		2.5%		2.1%		2.0%		3.1%	
b. CAR Gem Prod. as % of African gem prod.		6.4%		8.8%		7.9%		7.6%		7.6%
6. a. CAR prod. as % of World prod.	1.7%		1.4%		1.4%		1.3%		1.7%	
b. CAR Gem prod. as % of world gem prod.		2.9%		3.5%		2.9%		2.7%		2.9%

1/ Congo (Brazzaville) does not produce diamonds. The production figures mentioned here are really re-exports of diamonds smuggled in Congo from Congo (Kinshasa) and the CAR.

Source: USA, Bureau of Mines, Mineral Yearbook, 1969.

Table V : CAR PRODUCTION AND EXPORTS OF DIAMONDS, 1961-69

(Quantities given in thousands of carats and values in millions of CFA Francs)

	1961	1962	1963	1964	1965	1966	1967	1968	1969 (10 months)
I. Production									
1. Rough diamonds 1/	112	265	402	442	537	540	521	609	469
of which									
a. Individual producers	63	204	328	383	445	463	475	551	441
b. Companies	49	61	74	59	92	77	46	58	28
a. Gems	n.a	n.a	n.a	221	268	270	260	305	n.a
b. Industrial diamonds	n.a	n.a	n.a	221	269	270	260	304	n.a
2. Cut diamonds 2/	-	-	-	-	3	7	5	4	4
II. Exports 3/									
a. Quantities	113	264	406	417	509	530	511	640	430
b. Value	488	1 572	2 530	3 067	3 491	3 775	3 589	4 692	3 251
1. Rough diamonds									
a. Quantities	113	264	406	417	508	526	508	636	426
b. Value	488	1 572	2 530	3 067	3 466	3 698	3 533	4 600	3 165
2. Cut diamonds									
a. Quantities	-	-	-	-	1	4	3	4	4
b. Value	-	-	-	-	25	77	56	92	86
3. CFAF per carat	4 318	-	6 200	-	6 859	7 123	7 023	7 343	7 141
a. Rough diamonds	4 318	-	6 200	-	6 822	7 030	6 954	7 232	7 429
b. Cut diamonds	-	-	-	-	25 000	19 250	18 667	23 000	21 500

1/ Includes diamonds cut later
2/ Already included in the production of rough diamonds
3/ Differences between production and export figures are due to changes in stocks

Source: CAR Office National du Diamant and the Direction des mines of the Ministry of Industry, Mines and Geology

Table VI: CAR - INDUSTRIAL PRODUCTION, 1964 - 1969/1

Product	Units in /2 thousands	1964	1965	1966	1967	1967	1969 (6 mos)
Beer	hl	77.7	99.2	86.4	97.0	90.8	49.3
Soft Drinks	hl	21.6	19.3	21.9	22.7	26.7	15.4
Ice	tons	0.4	0.3	0.3	0.4	0.5	0.3
Soap	tons	0.9	3.0	2.3	2.6	3.2	1.3
Cotton Textiles	sq m/2	5.2	4.4	5.2	5.3	8.2	8.0
Bricks	tons	-	-	4.5	6.1	n.a.	n.a.
Aluminum Pans	kg	131.0	n.a.	n.a.	n.a.	n.a.	n.a.
Plastic Products							
Sandals	pairs	380.0	400.0	410.0	325.0	n.a.	n.a.
Bottles	units	700.0	450.0	700.0	750.0	n.a.	n.a.
Shoes	pairs	-	-	140.0	200.0	200.0/3	200.0/3
Flour	tons	-	-	-	-	4.2	2.0
Oil	hl	141.2	151.6	122.7	123.2	n.a.	n.a.
Cotton oil	hl	(36.5)	(42.2)	(30.0)	(21.6)	n.a.	n.a.
Groundnut oil	hl	(104.7)	(107.9)	(92.7)	(101.6)	n.a.	n.a.
Sesame oil	liters	- /4	- /4	0.2	0.3	n.a.	n.a.

/1 The value of all industrial production including cotton processing (ginning mills) was CFAF 10 billion in 1966 and CFAF 12 billion in 1968.
/2 Cotton textiles in millions of sq m.
/3 Estimated.
/4 All sesame seeds exported because of favorable world market situation.

Source: CAR , Bulletin mensuelle de Statistique, and data supplied by the CAR Authorities and the Chamber of Industry and Handicrafts.

Table VIII: CAR - DISTRIBUTION OF EXPORTS AND IMPORTS BY TRANSPORT ROUTE, 1964 - 1968

(in 1,000 tons)

	1964	1965	1966	1967	1968
TRANSEQUATORIAL ROUTE 1/					
Oubangui to Port of Bangui					
Exported	57	48	45	56	59
of which transit from Chad	(28)	(24)	(15)	(25)	(27)
Imported	127	110	129	157	173
of which transit to Chad	(30)	(17)	(27)	(25)	(36)
Subtotal	184	158	174	213	232
of which transit to and from Chad	(58)	(41)	(42)	(49)	(63)
Sangha to Salo					
Exported	3	2	3	2	2
Imported	5	6	5	6	7
Subtotal	8	8	8	8	9
Total Trans-Equatorial route	192	166	182	221	241
CAMEROON ROUTE 2/					
Imports and exports 3/	5	5 4/	5 4/	4	5
BY AIR					
Imports and exports	3	3	3	4	5
GRAND TOTAL (3 routes)	200	174	190	229	251

1/ Traffic on the Transequatorial route is principally via rail and river to Bangui, but smaller amounts move via the Sangha river (affluent of the Oubangui), mainly to Salo.
2/ Berberati or Bouar-Baboua to Yaounde
3/ Mainly imports
4/ Estimated

Source: CAR, Bulletin Mensuel de Statistique.

APPENDIX

Table VII: CAR - AIR TRAFFIC, 1965 - 1969

(in units or in tons)

	1965	1966	1967	1968	1969 9 months
I. Bangui					
Passengers	24 775	21 202	31 328	35 608	21 997
Flights	13 934	7 800	9 779	10 718	5 003
Freight (in tons)	2 546	3 069	3 919	5 240	4 323
II. Other cities					
Passengers	5 789	2 915	2 921	2 880	1 865
Flights	2 906	1 581	2 029	2 061	1 306
Freight	304	122	147	111	56
III. Total					
Passengers	30 564	24 117	34 249	38 488	23 862
Flights	16 840	9 381	11 809	12 779	6 309
Freight	2 850	3 191	4 066	5 351	4 379

Source: ASECNA, Bangui

Table IX: CAR - ROAD NETWORK AND ITS MAINTENANCE, 1969

(in kilometers)

Maintained by	Primary Roads	Secondary Roads	Local Roads	Total
Ministry of Public Works	2,118	1,270	-	3,388
ATEC (Transequatorial Agency in charge of Communications) 1/	508	-	-	508
Ministry of Development and local authorities	-	-	17,500	17,500
TOTAL	2,626	1,270	17,500	21,396

1/ The Ministry of Development was, until early 1970 when its name changed, a Ministry of State in charge, among others, of Agriculture and Transport policy.

Source: CAR, Ministry of Public Works

Table X: CAR - ESTIMATED COMPOSITION

OF VEHICLE FLEET AS PER JANUARY 31, 1967

Cars	3,456
Pickups	2,648
Trucks	1,968
Buses	155
Other	288
Total	8,515

Source: CAR, Haut Commissariat au Plan, Situation du parc automobile de la RCA, January 31, 1967.

Table XI bis: CAR - VALUE OF FOREIGN TRADE BY DESTINATION AND ORIGIN, 1966-68

(in percent)

	1966	1967	1968
I. Total Exports f.o.b. CAR	100.0	100.0	100.0
1. to Non-UDEAC countries	83.0	80.6	84.1
EEC	41.0	38.7	38.2
of which France	(31.1)	(34.1)	(32.0)
United States	15.7	24.2	26.5
Israel	16.3	11.2	14.2
Other non-African countries	9.0	4.4	3.7
Africa (excluding UDEAC)	1.0	2.1	1.5
2. to UDEAC countries	7.6	9.9	6.8
of which			
Exports subject to single tax	6.0	8.2	5.3
Other exports to UDEAC countries	1.6	1.7	1.5
3. Not registered exports	9.4	9.5	9.1
II. Imports c.i.f. CAR border	100.0	100.0	100.0
1. from Non-UDEAC countries	83.1	86.3	83.5
EEC	61.6	68.2	64.7
of which France	48.8	51.3	45.1
United States	3.4	3.1	3.9
Other non-African countries	13.1	10.3	9.9
Africa (excluding UDEAC)	5.0	4.7	5.0
2. from UDEAC countries	15.0	12.1	14.8
Imports subject to single tax	12.2	9.7	11.6
Other imports	2.8	2.4	3.2
3. Not registered imports	1.9	1.6	1.7

Source: Appendix Table XI.

Table XI: CAR - VALUE OF FOREIGN TRADE BY DESTINATION AND BY ORIGIN, 1966-69

(in millions of CFA francs)

	1966	1967	1968	1968 4 months	1969 4 months
I. Total Exports f.o.b. CAR	9 140	8 894	10 483	n.a	n.a
1. to Non-UDEAC countries	7 591	7 166	8 816	2 652	3 055
EEC	3 749	3 439	4 000	n.a	n.a
of which France	(2 841)	(3 031)	(3 352)	(n.a)	(n.a)
United States	1 432	2 153	2 783	n.a	n.a
Israel	1 496	994	1 490	n.a	n.a
Other non-African countries	819	392	384	n.a	n.a
Africa (excluding UDEAC)	95	188	159	n.a	n.a
2. to UDEAC countries 1/	699	878	717	n.a	n.a
of which					
Exports subject to single tax	549	724	555	n.a	n.a
Other exports to UDEAC	150	154	162	n.a	n.a
3. Not registered exports 2/	850	850	950	n.a	n.a
II. Imports c.i.f. CAR border	10 379	12 643	11 759	n.a	n.a
1. from Non-UDEAC countries	8 623	10 908	9 820	2 760	3 255
EEC	6 390	8 622	7 610	n.a	n.a
of which France	(5 067)	(6 486)	(5 299)	(n.a)	(n.a)
United States	362	397	458	n.a	n.a
Other non-African countries	1 357	1 308	1 161	n.a	n.a
Africa (excluding UDEAC)	513	581	591	n.a	n.a
2. from UDEAC countries	1 556	1 535	1 739	n.a	n.a
Imports subject to single tax	1 266	1 232	1 357	n.a	n.a
Other imports	290	303	382	n.a	n.a
3. Not registered imports 3/	200	200	200	n.a	n.a
III. Trade balance	-1 239	-3 749	-1 276	n.a	n.a
1. Non-UDEAC 2/	-1 032	-3 742	-1 004	-108	-200
2. UDEAC 1/	-857	-657	-1 022	n.a	n.a
3. Not registered	650	650	750	n.a	n.a

1/ Excluding not registered exports, which are mainly to UDEAC countries.
2/ The bulk of this is a conservatively estimated 20 percent of diamond exports taking place through illicit channels in 1966, 1968 and 1969, and 25 percent in 1967.
3/ Estimates based on the difference between recorded meat imports from Chad and annual consumption of imported meat from Chad (Four Year Development Plan of the CAR, Vol. I, pp. 6-18).

Sources: CAR Bulletin Mensuel de Statistiques, December 1966, 1967 and 1968, Secrétariat Général de l'UDEAC, Bulletin des Statistiques Générales de l'UDEAC, April 1969, data provided by the Central African Republic authorities, and mission estimates.

Table XII bis: CAR - COMMODITY COMPOSITION OF REGISTERED FOREIGN TRADE OUTSIDE UDEAC, 1966-69

(in percent)

	1966	1967	1968	1968 4 months	1969 4 months
Exports (f.o.b.)	100.0	100.0	100.0	100.0	100.0
Diamonds	53.5	46.7	53.1	59.7	49.2
Agricultural exports	46.5	53.3	49.9	40.3	50.8
Cotton lint	14.7	22.8	23.4	20.0	26.1
Coffee	23.7	20.0	12.2	9.5	8.3
Timber	2.1	2.9	3.4	2.4	5.9
Tobacco	0.7	2.0	2.2	4.1	4.8
Rubber	1.7	1.1	1.0	1.0	1.1
Sesame	0.4	0.7	-	-	-
Other	3.2	3.8	4.7	3.3	4.6
Imports (c.i.f. CAR border)	100.0	100.0	100.0	100.0	100.0
Machines, appliances and equipment	14.3	25.4	16.2	15.7	14.4
Vehicles and spare parts	14.4	9.6	16.2	19.0	11.6
Food, beverages, tobacco	16.0	14.9	16.0	14.0	12.6
Mineral products	11.9	10.0	10.5	8.6	22.9
Textiles	13.9	12.7	13.9	18.1	13.0
Chemicals and rubber	11.1	12.6	12.5	10.5	12.2
Metals, metal goods	9.6	8.4	7.1	7.8	6.7
Hides, leather, wood, paper	3.1	2.2	3.3	2.6	3.3
Other	5.6	4.1	4.2	1.5	3.3

Source: Appendix Table XII.

Table XII: CAR - COMMODITY COMPOSITION OF REGISTERED FOREIGN TRADE OUTSIDE UDEAC, 1966-69

(in millions of CFA francs)

	1966	1967	1968	1968 4 months	1969 4 months
Exports (f.o.b.)	7,591	7,166	8,816	2,652	3,055
Diamonds	4,062	3,349	4,681	1,586	1,503
Agricultural exports	3,529	3,817	4,135	1,066	1,552
Cotton lint	1,114	1,635	2,065	530	796
Coffee	1,798	1,436	1,073	251	255
Timber and logs	158	210	299	63	180
Tobacco	53	141	197	108	147
Rubber	129	73	84	26	35
Sesame	33	53	-	-	-
Other	244	269	417	88	139
Imports (c.i.f. CAR border)	8,623	10,908	9,820	2,760	3,255
Machines, appliances and equipment	1,234	2,779	1,594	433	470
Vehicles and spare parts	1,245	1,045	1,598	523	378
Food, beverages, tobacco 1/	1,379	1,626	1,576	387	410
Mineral products 2/	1,030	1,094	1,027	238	745
Textiles	1,196	1,377	1,367	500	424
Chemicals, rubber and plastics	958	1,374	1,226	290	397
Metals, metal goods	828	921	699	216	219
Hides, leather, wood, paper	270	245	324	70	106
Other	483	447	409	42	106

1/ Includes live animals.
2/ Includes cement and gasoline.

Sources: CAR, Bulletin Mensuel de Statistiques, December 1966, 1967 and 1968 and data provided by the Central African Republic authorities.

Table XIV CAR - BALANCE OF PAYMENTS 1968

(In millions of CFAF)

	Credit	Debit	Net
A. Goods and Services excluding factor payments	16,699	20,134	- 3,435
Merchandise	12,063 1/	9,242 2/	2,821
Services	4,636 3/	10,892	- 6,256
Freight and trade insurance	124	3,961	- 3,836
Other transportation	304	989	- 685
Travel	450	989	- 539
Other insurance	172	343	- 171
Government transactions (n.i.e.)	2,007	2,733	- 726
Other services	1,580	1,878	- 298
B. Factor Payments	1,109	2,485	- 1,376
Investment income	51	981	- 930
Remittances	1,058	1,504	- 446
C. Nonmonetary capital	6,382	2,292	4,090
Long-term	5,995	1,811	4,184
Public long-term	3,576	544	3,039
Private long-term	2,419	1,267	1,152
Private short-term	387	481	- 94
D. Net errors and omissions	225	-	225
E. Monetary movements	819	323	496 4/
Central Bank	67	74	- 7
Commercial and Development Banks and Postal Savings Bank	752	249	503

Source: Data supplied by the Central African Republic authorities (BCEAEC).

1/ Exports are valued at Brazzaville or Pointe Noire depending on location of the shipper; in other words, they are neither FOB nor CIF, but include, more or less, costs, insurance and freight.

2/ FOB country of origin.

3/ Considerably underestimated: see footnotes 1/ and 2/.

4/ No efforts has been made to reconcile this figure with the monetary data as published by IFS, because these monetary movements in the Balance of payments seem to be conceptually more correct than those in IFS (see para 172).

Table XIII: CAR - VOLUME OF PRINCIPAL AGRICULTURAL EXPORTS OUTSIDE THE UDEAC, 1966-69

	1966	1967	1968	1968 4 months	1969 4 months
	(in metric tons)				
Logs and timber	10,679	15,322	20,996	3,723	11,979
Cotton lint	7,995	11,999	15,266	3,897	5,938
Coffee	11,322	8,942	8,104	1,636	1,656
Tobacco	580	629	817	55	62
Rubber	1,221	804	1,036	36	34
Palm Kernels	1,286	890	749	202	--
Sesame	673	888	--	--	--
Total	33,756	39,474	46,968	9,549	19,669
	(in percent)				
Logs and timber	32	40	47	40	62
Cotton lint	24	30	32	41	30
Coffee	34	23	17	18	8
Tobacco	1	1	1	-	-
Rubber	3	2	2	-	-
Palm kernels	4	2	1	1	-
Sesame	2	2	-	-	-
Total	100	100	100	100	100

Sources: CAR, Bulletin Mensuel de Statistiques, December 1966, 1967 and 1968, and data provided by the CAR authorities.

Table XVII: CAR - NATIONAL DEVELOPMENT BANK CREDITS OUTSTANDING 1966 - 1968

(in millions of CFA francs)

	June 30, 1966		June 30, 1967				Dec. 31, 1968			
	Long Term	Total 1/	Short Term	Medium Term	Long Term	Total	Short Term	Medium Term	Long Term	Total
Agriculture	37	540	744	131	23	898	738	119	25	882
Rural development	-	4	-	6	51	57	-	155	100	255
Handicrafts, trade, industry	71	224	14	193	88	295	73	391	221	685
Housing	400	571	1	155	379	535	-	216	515	731
Small equipment	-	7	7	-	-	7	-	-	-	-
Vehicles	-	12	-	7	-	7	55	33	-	88
Others	5	9	-	6	3	9	1	47	-	48
TOTAL	513	1,367	766	498	544	1,808	867	961	861	2,689
of which overdue	n.a	240	n.a	n.a	n.a	206	n.a	n.a	n.a	354
Subtotals in % of total	38	100	42	28	30	100	32	36	32	100

1/ Includes also CFAF 442 million of short term and CFAF 412 million of medium term loans.

Sources: CAR, National Development Bank, Rapport d'activité, 1965/66, 1966/67 and 1967/68 and data supplied by the BND authorities.

Table XV : CAR - ASSETS AND LIABILITIES OF THE COMMERCIAL AND DEVELOPMENT BANKS, 1964-69

(In billions of CFA francs)

	1964 Dec.	1965 Dec.	1966 Dec.	1967 Dec.	1968 Dec.	1969 March	1969 June	1969 Sept.
Assets								
Cash reserves	0.02	0.03	0.08	0.05	0.09	0.13	0.18	
Foreign assets (net)	-0.35	-0.57	-0.45	-0.82	-0.73	-0.79	-0.92	
Claims on public sector	-	-	-	0.01	-	-	-	
Claims on private sector	4.75	5.32	6.26	7.37	8.51	8.96	8.93	
Liabilities								
Demand deposits	1.87	2.00	1.80	2.08	2.83	2.58	2.62	
Time deposits	0.17	0.23	0.43	0.47	0.58	0.59	0.65	
Government deposits	0.21	0.20	0.22	0.14	0.19	0.20	0.15	
Central bank advances	1.58	1.71	2.38	2.87	2.99	3.76	3.55	
Other items (net)	0.59	0.64	1.06	1.05	1.28	1.17	1.22	

Source: IMF, International Financial Statistics

Table XVII b: CAR - ACTUAL BUDGET RECEIPTS AND EXPENDITURES 1966 - 1969
Fiscal Year Basis

(in percent)

	1966	1967	1968	1969 11 months
I. Current budget receipts	100.0	100.0	100.0	100.0
1. Direct taxes	24.3	23.3	23.4	22.5
a. Personal taxes	9.7	8.7	n.a	n.a
b. Income tax	7.5	7.1	n.a	n.a
General income tax	(3.7)	(3.1)	(n.a)	(n.a)
Business income	(3.1)	(3.2)	(n.a)	(n.a)
Income from securities	(0.7)	(0.8)	(n.a)	(n.a)
c. Licensing fees	3.0	2.4	n.a	n.a
d. Property taxes	1.4	1.6	n.a	n.a
e. Other	2.7	3.4	n.a	n.a
2. Indirect taxes	65.0	66.9	71.4	66.7
a. Import taxes	39.7	39.6	n.a	n.a
b. Single tax	9.0	10.2	n.a	n.a
c. Export taxes	5.1	4.1	n.a	n.a
d. Excise and sales taxes	9.4	10.7	n.a	n.a
e. Other	1.8	2.3	n.a	n.a
3. Nontax revenues	10.7	9.8	5.2	10.8
a. Public domain and mines	3.1	2.8	3.2	3.3
b. UDEAC (net)	4.0	3.4	-	2.6
c. Other	3.6	3.6	2.0	4.9
II. Current budget expenditures	100.0	100.0	100.0	100.0
1. Administration	30.3	24.4	23.2	28.9
2. Education	17.8	17.5	17.4	17.3
of which scholarships	3.2	3.2	3.2	2.6
3. Health	9.4	9.8	9.4	8.0
4. Defense	8.9	10.9	12.5	14.2
5. Agriculture, transport, tourism	8.3	8.9	8.5	7.2
of which subsidies to ORD	1.7	2.7	1.8	1.1
6. Maintenance and public works	6.8	9.6	9.4	6.9
of which P & T (net)	-	0.2	-	1.2
7. Transfers and subsidies	17.2	16.9	15.1	11.8
8. Debt servicing	1.3	1.9	4.5	5.7

Source: Appendix Table XVII.

Table XVII: CAR - ACTUAL BUDGET RECEIPTS AND EXPENDITURES 1966-1969
Fiscal Year Basis

(In millions of CFA francs)

	1966	1967	1968	1969 11 months
I. Current budget receipts	8,054	8,196	9,172	7,929
1. Direct taxes	1,956	1,909	2,144	1,782
a. Personal taxes	781	717	n.a	n.a
b. Income tax	602	584	n.a	n.a
General income tax	(299)	(253)	(n.a)	(n.a)
Business income	(247)	(262)	(n.a)	(n.a)
Income from securities	(56)	(69)	(n.a)	(n.a)
c. Licensing fees	238	199	n.a	n.a
d. Property taxes	115	128	n.a	n.a
e. Other	220	281	n.a	n.a
2. Indirect taxes	5,238	5,486	6,549	5,289
a. Import taxes	3,201	3,249	n.a	n.a
b. Single tax	722	834	n.a	n.a
c. Export taxes	408	336	n.a	n.a
d. Excise and sale taxes	756	877	n.a	n.a
e. Other	151	190	n.a	n.a
3. Nontax revenues	860	801	479	858
a. Public domain and mines	249	231	296	262
b. UDEAC (net) 1/	319	278	-	206
c. Other 2/	292	292	183	390
II. Current budget expenditures	7,324	8,685	9,868	8,872
1. Administration	2,225	2,120	2,245	2,568
2. Education	1,306	1,516	1,680	1,537
of which scholarships	233	278	306	231
3. Health	691	852	913	711
4. Defense	655	950	1,210	1,261
5. Agriculture, transport, tourism	608	776	819	640
of which subsidies to ORD 3/	125	233	178	95
6. Maintenance and public works	496	838	909	608
of which P & T (net)	1	13	2	109
7. Transfers and subsidies	1,249	1,467	1,661 4/	1,050
8. Debt servicing	94	166	431	497
III. Current budget surplus or deficit (-)	730	-489	-696	-943
IV. Capital expenditures	-618	-499	-279	-258
V. Over-all surplus or deficit (-)	112	-988	-975	-1,201

1/ Mainly net revenue from Solidarity Fund minus small contributions to administrative expenditures of the UDEAC (Central African Customs and Economic Union).
2/ Post and Telecommunications has been netted out and will disappear completely from the budget in 1970.
3/ Regional Development Offices
4/ Includes a net payment to UDEAC of CFAF 206 million, because CAR's portion of the Solidarity Fund was withheld by UDEAC after April 1968.

Source: CAR, Compte Définitif 1966, and data provided by the Central African authorities. (Treasury)

Table XVIII bis: CAR - BUDGET ESTIMATES, FISCAL YEAR BASIS 1966-70

(in percent)

	1966	1967	1968	1969	1970
I. Current budget receipts	100.0	100.0	100.0	100.0	100.0
1. Direct taxes	21.2	21.0	23.5	26.4	26.3
a. Income tax	6.6	6.4	6.5	6.4	n.a.
General income tax	(3.2)	(2.9)	(3.3)	(3.1)	n.a.
Business income	(2.7)	(2.8)	(2.5)	(2.7)	n.a.
Income from securities	(0.7)	(0.7)	(0.7)	(0.5)	n.a.
b. Personal taxes	8.1	8.1	8.5	7.7	n.a.
c. Property taxes	1.3	1.2	1.3	1.4	n.a.
d. Licensing fees	2.0	2.2	2.6	2.3	n.a.
e. Other	3.2	3.1	4.6	8.6	n.a.
2. Indirect taxes	67.7	64.0	65.0	62.6	53.4
a. Import taxes	41.7	40.0	40.0	38.0	n.a.
b. Single tax	7.4	9.3	10.8	10.5	n.a.
c. Export taxes	5.6	4.4	3.1	3.5	n.a.
d. Excise and sales taxes	10.5	8.5	9.1	8.5	n.a.
e. Other	2.5	1.8	2.0	2.1	n.a.
3. Nontax revenues	11.1	15.0	11.5	11.0	20.2
a. Public domain and mines	3.8	4.0	2.7	3.4	n.a.
b. UDEAC (net)	4.3	3.5	3.3	3.4	n.a.
c. Other	3.0	7.5	5.5	4.2	n.a.
of which P & T (net)	(-0.2)	(3.0)	(2.5)	(0.6)	n.a.
II. Current budget expenditures	100.0	100.0	100.0	100.0	100.0
1. Administrative departments	30.4	24.6	24.9	27.0	34.7
2. Education	17.9	19.0	16.8	17.4	18.6
of which Scholarships	(3.2)	(3.3)	(3.3)	(3.1)	(3.4)
3. Health	9.7	10.3	9.4	8.3	6.3
4. Defense	8.7	9.6	11.5	14.1	12.0
5. Agriculture, transport, tourism	8.3	8.3	8.6	6.8	5.4
of which subsidies to ORD	(1.7)	(2.7)	(1.7)	(1.0)	(0.7)
6. Maintenance and public works	7.1	9.4	7.7	6.1	5.0
7. Transfers and subsidies	16.5	17.3	16.9	12.9	13.1
8. Debt service	1.4	1.5	4.2	7.4	4.9

Source: Appendix Table XVIII.

(Continuation of Footnotes and Source from Table XVIII)

4/ Ministries of Education and Youth, Sports, Arts and Culture only.

5/ Ministrie of Health and Secretariat of Social Affairs only. Does not include purchase of pharmaceutical products and other health expenditures elsewhere in the budget. This figure compares with CFAF 612 million in 1969.

Table XVIII: CAR - BUDGET ESTIMATES, FISCAL YEAR BASIS 1966-70

(In millions of CFA francs)

	1966 1/	1967	1968	1969	1970
I. Current budget receipts	7,431	8,042	9,030	10,290	11,306
1. Direct taxes	1,574	1,686	2,119	2,719	2,973
a. Income tax	487	513	583	654	n.a.
General income tax	(235)	(235)	(295)	(320)	n.a.
Business income	(202)	(222)	(222)	(278)	n.a.
Income from securities	(50)	(56)	(66)	(56)	n.a.
b. Personal taxes	605	655	770	800	n.a.
c. Property taxes	96	96	119	147	n.a.
d. Licensing fees	150	175	235	235	n.a.
e. Other	236	247	412 2/	883 2/	n.a.
2. Indirect taxes	5,031	5,150	5,870	6,443	6,044
a. Import taxes	3,102	3,213	3,613	3,906	n.a.
b. Single tax	540	750	975	1,090	n.a.
c. Export taxes	419	355	283	360	n.a.
d. Excise and sales taxes	783	680	821	873	n.a.
e. Other	187	152	178	214	n.a.
3. Nontax revenues	826	1,206	1,041	1,128	2,289
a. Public domain and mines	281	320	232	347	313
b. UDEAC (net)	320	283	283	350	415
c. Other	225	603	476	431	1,561
of which P & T (net)	(-16)	(239)	(225)	(65)	(-8)
II. Current budget expenditures	7,296	8,654	9,651	10,321	11,283
1. Administrative departments	2,220	2,130	2,404	2,789	3,911 3/
2. Education	1,307	1,648	1,625	1,797	2,093 4/
of which Scholarships	(233)	(282)	(318)	(323)	(386) 5/
3. Health	709	889	904	855	722
4. Defense	636	827	1,109	1,451	1,351
5. Agriculture, transport, tourism	607	718	833	698	610
of which subsidies to ORD	(125)	(235)	(182)	(97)	(77)
6. Maintenance and public works	517	813	739	632	560
7. Transfers and subsidies	1,206	1,498	1,632	1,327	1,481
8. Debt service	94	130	405	772	555
III. Current budget surplus or deficit (-)	135	-612	-621	-31	-23
IV. Capital expenditures	-1,111	-236	-260	-669	-800
V. Over-all surplus or deficit deficit (-)	-976	-848	-881	-700	-823

1/ Revised estimates.
2/ Includes a new tax on diamond collectors amounting to CFAF 160 million.
3/ Includes more than CFAF 500 million in salary increase for civil servants not distributed over the different ministries.

(See Appendix Table XVIII bis for footnotes 4 and 5 and Source).

Table XX : : CAR - EDF AID DISBURSEMENTS BY SECTOR, 1960-69

Sector	1960/63	1964	1965	1966	1967	1968	1969 (6 mos.)	Total 1960-69
				(In millions of CFAF)				
1. Infrastructure	233	37	170	135	315	129	242	1 262 1/
2. Education	64	14	340	227	194	267	104	1 209 1/
3. Production 2/	-	-	346	291	265	214	93	1 209
Of which price support	-	-	(326)	(179)	(153)	(120)	(-)	(780)
4. Health	294	66	30	138	34	17	3	582
5. Rural Develop.	187	172	15	2	58	225	143	803
6. Other	46	24	10	-	-	-	-	80
Total	824	313	910 1/	794 1/	866	853	586 1/	5145 1/
				(In percent)				
1. Infrastructure	28.3	11.8	18.6	17.0	36.4	15.1	41.3	24.5
2. Education	7.8	4.5	37.4	28.6	22.4	31.3	17.8	23.5
3. Production 2/	-	-	38.0	36.6	30.6	25.1	15.9	23.5
Of which price support	-	-	(35.8)	(22.5)	(17.7)	(14.1)	(-)	(15.2)
4. Health	35.7	21.1	3.3	17.5	3.9	2.0	0.5	11.3
5. Rural Develop.	22.7	54.9	1.6	0.3	6.7	26.5	24.4	15.6
6. Other	5.5	7.7	1.1	-	-	-	-	1.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0 1/	100.0

1/ Difference due to rounding.
2/ Includes Production Aid (Diversification Aid and Price Support).

Source: EDF Resident Representative at Bangui.

APPENDIX

Table XIX: CAR - FOUR-YEAR DEVELOPMENT PLAN 1967 - 1970, PLANNED AND ACTUAL INVESTMENT 1967 - 1968

(in millions of CFA francs)

	Planned Investment		Actual Investment				Financed but not spent 1/
	Total (1)	% of (1)	1967	1968	1967/1968 Amount	1967/1968 as % of (1)	
Social and Administrative investment	9 893	26.8	1 223	2 053	3 276	33.1	624
of which:							
Housing and Urban Development	7 155	19.4					
Administration and information	796	2.2					
Public debt service	637	1.7					
Mining, Energy, and Industries	8 628	23.4	3 718	328	4 046	46.9	550
of which							
Textiles and clothing	3 040	8.1					
Mining (mainly private) 2/	1 940	5.2					
Agricultural Production	6 581	17.8	1 085	1 059	2 144	32.6	1 585
of which:							
Modernization and Productivity	1 951	5.3					
Diversification	1 409	3.8					
Animal husbandry	905	2.5					
Forestry (private)	200	0.5					
Economic Infrastructure 2/	6 476	17.6	904	986	1 890	29.2	1 779
of which:							
Land transport	4 195	11.4					
River transport	682	1.6					
Commercial infrastructure	747	2.0					
Tourism and hotels	451	1.2					
Post and Telecommunications	228	0.6					
Research and Experiments	3 255	8.8	688	530	1 218	37.4	494
of which							
Agricultural research	1 476	4.0					
Geological and mineral research	768	2.1					
Transportation	603	1.6					
Training	2 043	5.5	200	323	523	25.6	-
TOTAL	36 876	100.0	7 818	5 279	13 097	35.5	5 032
of which							
Public investment	28 322	76.8	4 500 3/	2 822	7 322	25.9	
Private investment	8 555	23.2	3 318	2 457	5 775	67.5	
of which							
External financing	19 305	52.4	5 165	1 156	6 321	32.7	
Domestic financing	14 099	38.2	1 425	5 256	6 681	47.4	
Unknown or undecided as of Jan. 1, 1969	3 472	9.4	-	95	95	2.7	

1/ As of December 31, 1968
2/ See also under Research and Experiments
3/ Estimate based on partial figures

Source: CAR, Plan Quadriennal 1967 - 1970, and data provided by the CAR authorities

Table XXII:CAR - EXTERNAL PUBLIC DEBT OUTSTANDING AS OF DECEMBER 31, 1968 WITH ADDITIONS THROUGH JUNE 30, 1969 1/

Debt Repayable in Foreign Currency 2/

(In thousands of U.S. dollars)

Source	Debt outstanding December 31, 1968		Additions January 1 to June 30, 1969	Debt 3/ outstanding June 30, 1969
	Disbursed only	Including undisbursed	including undisbursed	
TOTAL EXTERNAL PUBLIC DEBT	20,646	21,012	9,757	30,769
Loans from governments	18,910	18,910	4,374	23,284
China (mainland) 4/	1,800	1,800	-	1,800
France 4/	14,924	14,924	2,625	17,549
Germany (Fed. Rep. of) 5/	2,186	2,186	1,749	3,935
Loans from international organizations	-	227	4,200	4,427
European Development Fund (EDF)	-	227	-	227
International Development Association (IDA)	-	-	4,200	4,200
Private held debt				
Suppliers	1,736	1,875	1,183	3,058
France 4/	182	182	-	182
Germany (Fed. Rep. of) 5/	1,223	1,223	-	1,223
Israel	38	38	-	38
Switzerland 4/	-	-	1,183	1,183
United Kingdom	293	432	-	432

1/ Debt with an original or extended maturity of over one year.

2/ Defined to include the CFA franc which is freely convertible into the French franc.

3/ Without taking into account the amount amortized during the first 6 months of 1969 (about CFAF 800 million)

4/ Includes debts repayable in French francs or CFA francs which are convertible at the exchange rate as devalued in August, 1969.

5/ Includes debts repayable in German marks which are convertible at the exchange rate as revalued in October, 1969.

Source: IBRD, Economics Department, Statistical Services Division, January 22, 1970.

Table XXI: CAR - FAC PROJECT AID COMMITMENTS BY SECTOR AND DISBURSEMENTS, 1960-69

Sector	1960/63	1964	1965	1966	1967	1968	1969 1/	Total 1960-68
				(In millions of CFAF)				
1. Production	636	814	368	559	391	225	n.a	2 994 2/
2. Infrastructure	1 010	802	48	-	162	24	n.a	2 045 2/
3. Social Equipment	958	14	-	197	-	63	n.a	1 231
4. Studies and Scientific Research	659	150	88	109	137	103	n.a	1 245 2/
Total commitments	3 263	1 780	504	865	689 2/	415	874	7 515 2/
Disbursed 1/	n.a	560	928	998	673	500	n.a	3 659
				(In percent)				
1. Production	19.5	45.7	73.0	64.6	56.7	54.2	n.a	39.8
2. Intrastructure	30.9	45.1	9.5	-	23.5	5.8	n.a	27.2
3. Social Equipment	29.4	0.8	-	12.8	-	15.2	n.a	16.4
4. Studies and Scientific Research	20.2	8.4	17.5	12.6	19.8	24.8	n.a	16.6
Total commitments	100.0	100.0	100.0	100.0	100.0	100.0	n.a	100.0
Disbursed	n.a	31.5	184.1	115.4	97.7	120.5	n.a	48.7

1/ Title VI only. Commitments include also Tables III and V.
2/ Difference due to rounding.
Source: Data supplied by the French Government.

Table XXIII: CAR - ESTIMATED FUTURE SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF DECEMBER 31, 1968 WITH ADDITIONS THROUGH JUNE 30, 1969.

Debt Repayable in Foreign Currency

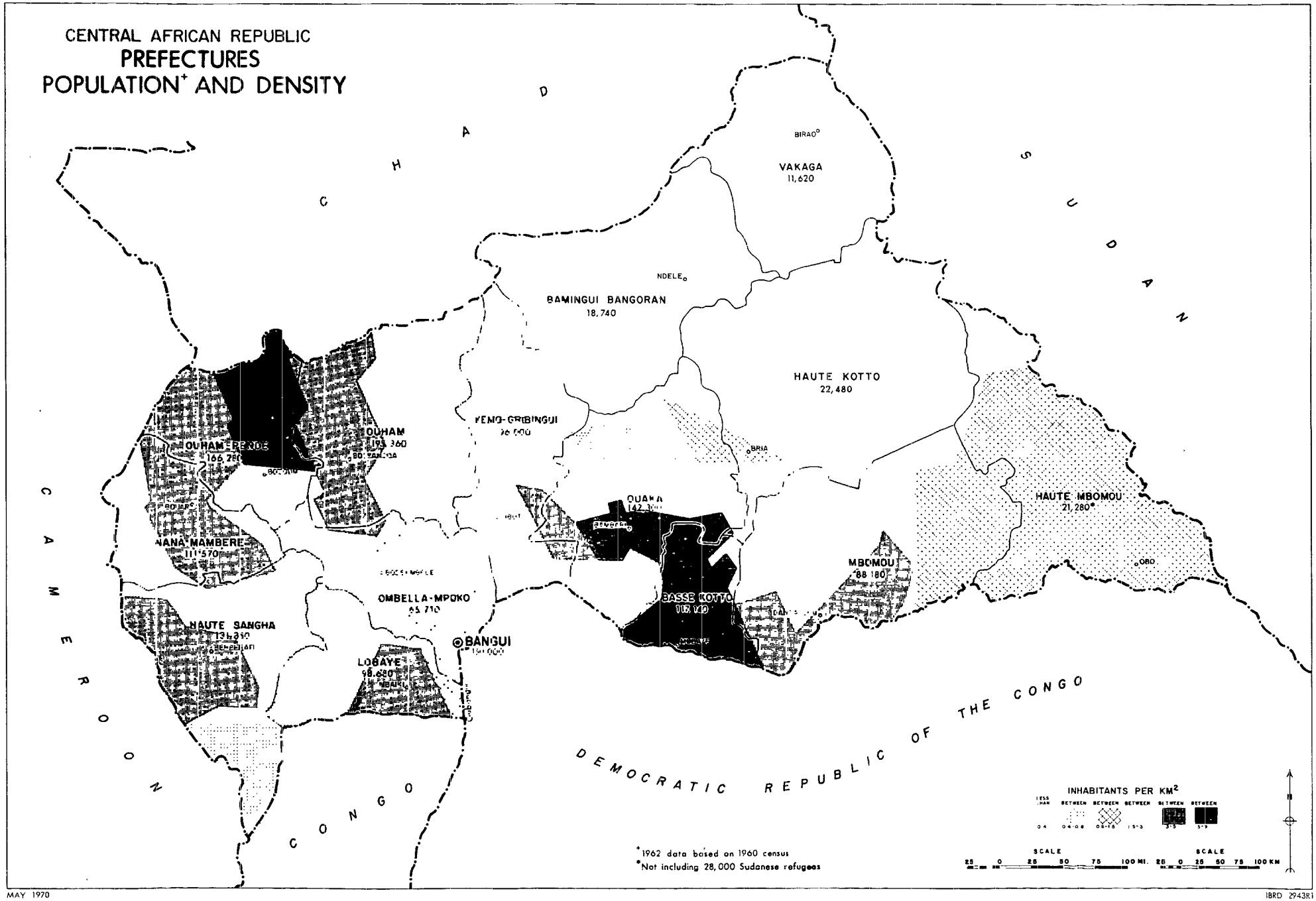
(in thousands of U.S. dollars)

Year	Debt Outstanding (Begin of Period) including undisbursed	Payments during Period		
		Amortization	Interest	Total
1969	20,618 1/	1,662	356	2,018
1970	28,713	1,815	407	2,222
1971	26,898	2,521	339	2,860
1972	24,378	2,407	311	2,719
1973	21,970	1,871	288	2,159
1974	20,099	1,803	260	2,063
1975	18,296	1,660	234	1,894
1976	16,636	823	213	1,036
1977	15,813	787	197	984
1978	15,026	709	175	884
1979	14,317	651	155	806
1980	13,666	735	140	875
1981	12,931	740	127	868
1982	12,190	647	114	762
1983	11,543	540	107	648

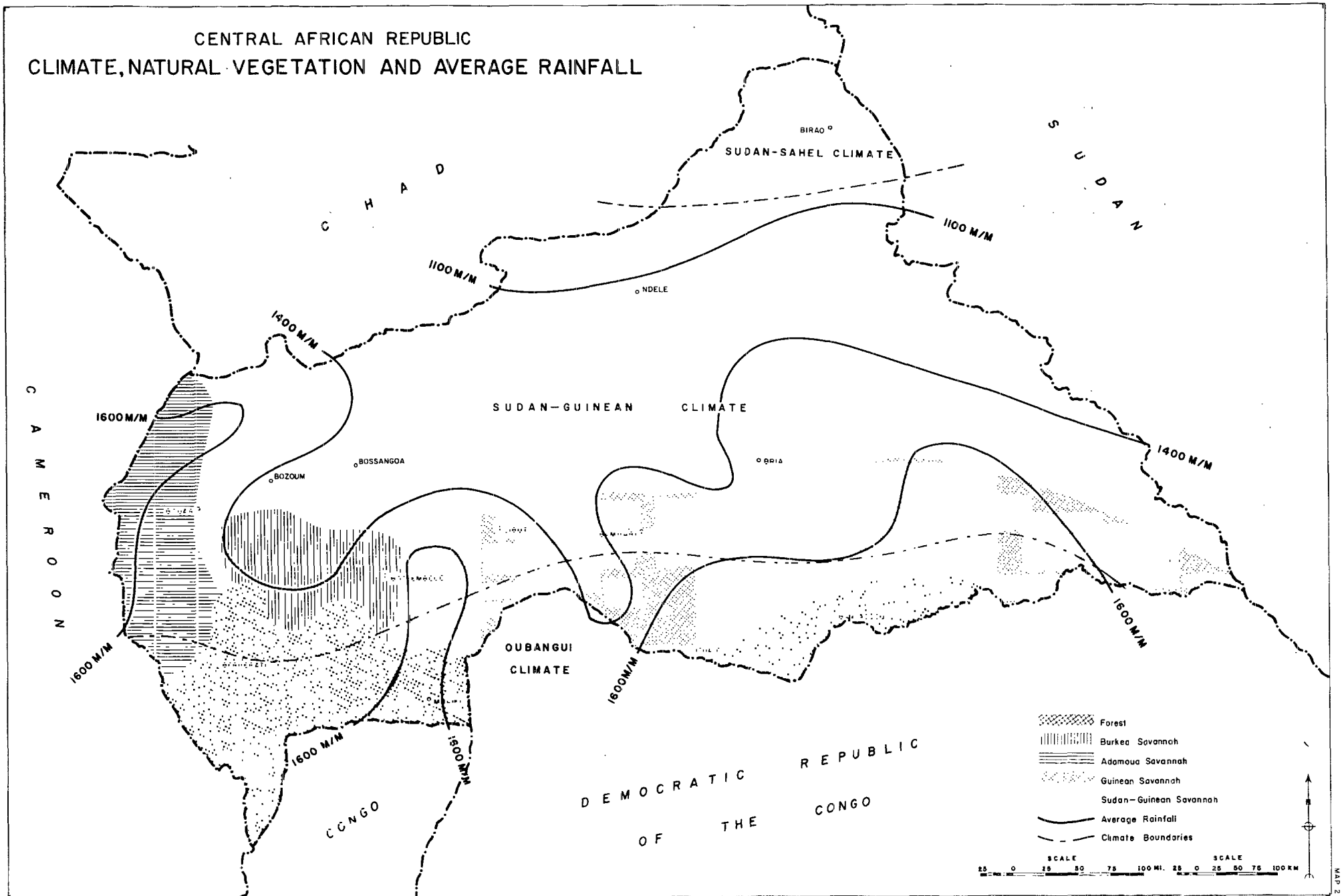
1/ Includes service on all debt listed in Table 14 prepared January 22, 1970 with the exception of the following, for which repayment terms were not available:

Suppliers (France)	$167,000
Loan from European Development Fund	227,000
Total	$394,000

Source: IBRD, Economics Department, Statistical Services Division, January 22, 1970.


CENTRAL AFRICAN REPUBLIC
PREFECTURES
POPULATION+ AND DENSITY
CHAD
SUDAN
CAMEROON
CONGO
DEMOCRATIC REPUBLIC OF THE CONGO
BIRAO
VAKAGA
11,620
NDELE
BAMINGUI BANGORAN
18,740
HAUTE KOTTO
22,480
KEMO-GRIBINGUI
26,600
BRIA
OUHAM
193,360
OUHAM-PENDE
166,280
BOCARANGA
NANA-MAMBERE
111,570
OMBELLA-MPOKO
65,710
HAUTE SANGHA
13,360
BERBERATI
LOBAYE
98,680
MBAIKI
BANGUI
151,000
OUAKA
142,300
BOUAR
BASSE KOTTO
112,910
MBOMOU
88,180
HAUTE MBOMOU
21,280*
OBO
INHABITANTS PER KM2
LESS THAN 0.4
BETWEEN 0.4-0.8
BETWEEN 0.8-1.5
BETWEEN 1.5-3
BETWEEN 3-5
BETWEEN 5-9
SCALE
25 0 25 50 75 100 MI.
SCALE
25 0 25 50 75 100 KM
+1962 data based on 1960 census
*Not including 28,000 Sudanese refugees
MAP
MAY 1970
IBRD 2943R1

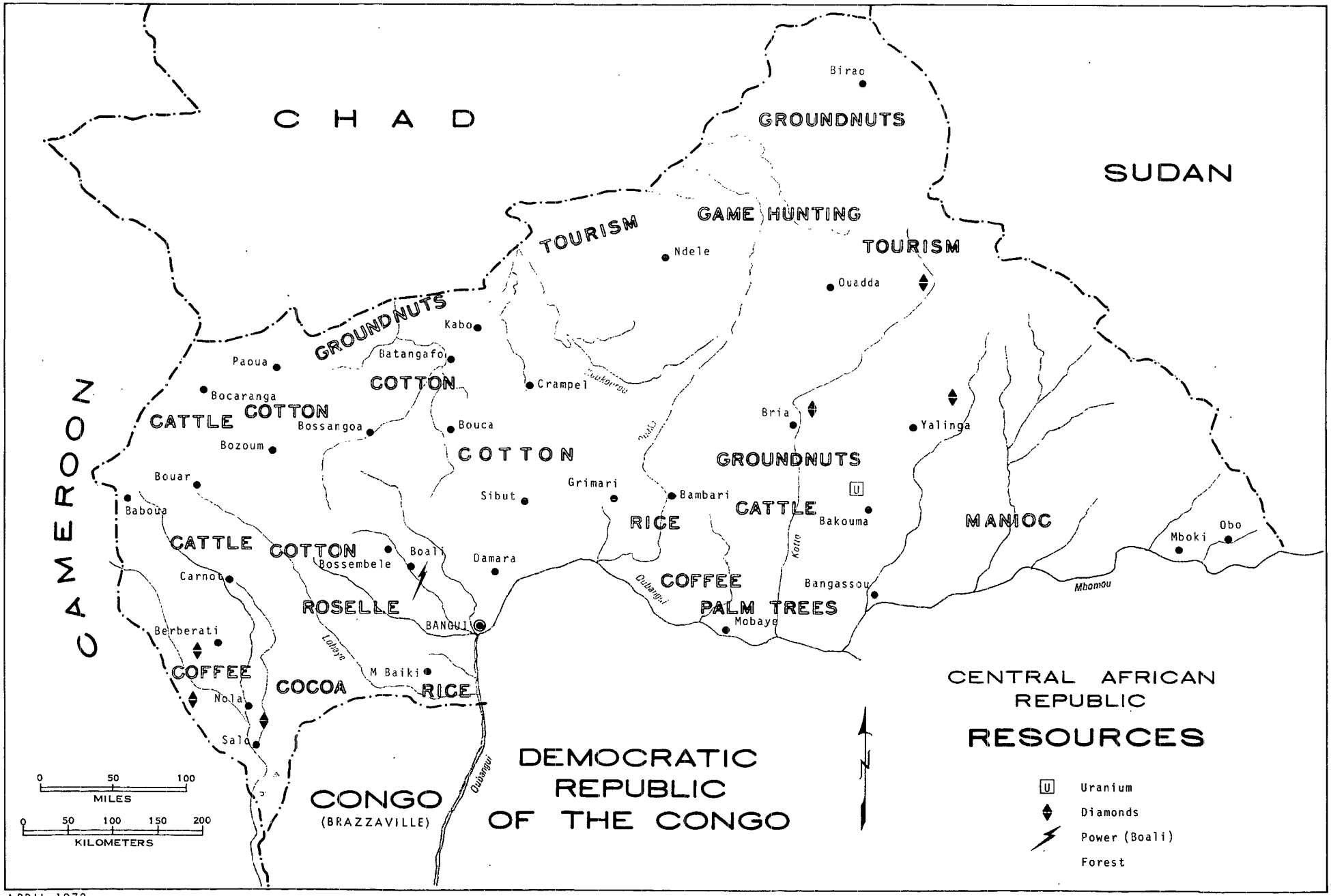
CENTRAL AFRICAN REPUBLIC
CLIMATE, NATURAL VEGETATION AND AVERAGE RAINFALL



APRIL 1970

MAP 2

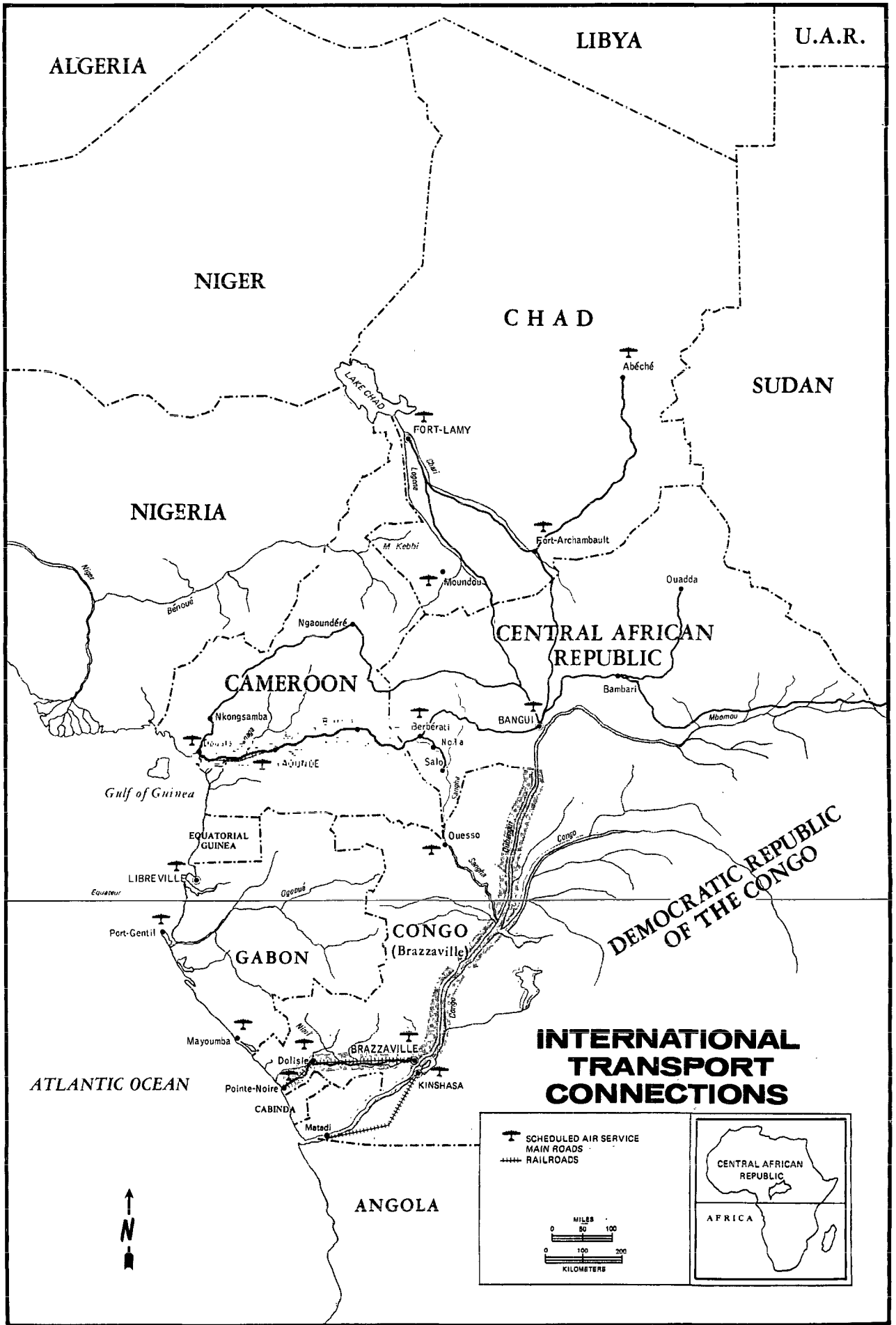
IBRD-2944

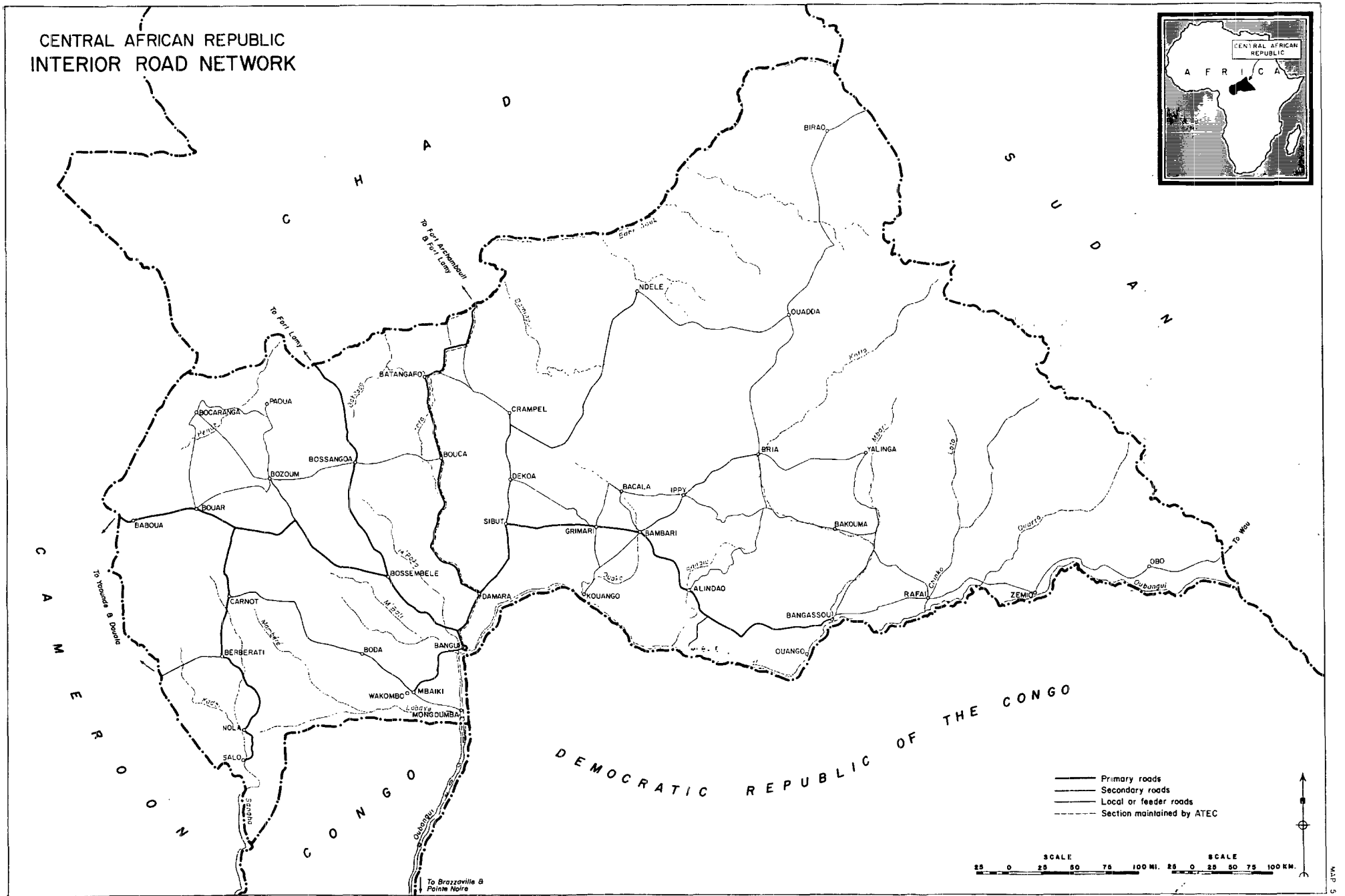


APRIL 1970

IBRD 2945

MAP 3


ALGERIA
LIBYA
U.A.R.
NIGER
CHAD
SUDAN
NIGERIA
CAMEROON
CENTRAL AFRICAN REPUBLIC
EQUATORIAL GUINEA
GABON
CONGO (Brazzaville)
DEMOCRATIC REPUBLIC OF THE CONGO
ANGOLA
ATLANTIC OCEAN
Gulf of Guinea
LAKE CHAD
FORT-LAMY
Abéché
Fort-Archambault
Ouadda
Moundou
Ngaoundéré
Bambari
BANGUI
Nkongsamba
Berbérati
Nola
Salo
Ouesso
LIBREVILLE
Port-Gentil
Mayoumba
Dolisie
BRAZZAVILLE
KINSHASA
Pointe-Noire
CABINDA
Matadi
Chari
Logone
M'Kebbi
Niger
Bénoué
Mbomou
Sangha
Congo
Ogooué
Nyanga
Kouilou
N
INTERNATIONAL TRANSPORT CONNECTIONS
SCHEDULED AIR SERVICE
MAIN ROADS
RAILROADS
MILES
0 50 100
0 100 200
KILOMETERS
CENTRAL AFRICAN REPUBLIC
AFRICA


CENTRAL AFRICAN REPUBLIC
INTERIOR ROAD NETWORK
CENTRAL AFRICAN REPUBLIC
A F R I C A
CHAD
SUDAN
CAMEROON
CONGO
DEMOCRATIC REPUBLIC OF THE CONGO
BIRAO
NDELE
OUADDA
To Fort Archambault & Fort Lamy
To Fort Lamy
BATANGAFO
CRAMPEL
PAOUA
BOCARANGA
BOSSANGOA
BOZOUM
BOUCA
DEKOA
BRIA
YALINGA
BACALA
IPPY
BOUAR
BABOUA
SIBUT
GRIMARI
BAMBARI
BAKOUMA
To Yaounde & Douala
BOSSEMBELE
CARNOT
DAMARA
KOUANGO
ALINDAO
RAFAI
ZEMIO
OBO
To Wau
BANGASSOU
BERBERATI
BODA
BANGUI
OUANGO
WAKOMBO
MBAIKI
MONGOUMBA
NOLA
SALO
To Brazzaville & Pointe Noire
Primary roads
Secondary roads
Local or feeder roads
Section maintained by ATEC
SCALE
25 0 25 50 75 100 MI.
SCALE
25 0 25 50 75 100 KM.
N
MAP 5
APRIL 1970
IBRD-2947