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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

THE ECONOMY
OF
THE REPUBLIC OF CONGO (BRAZZAVILLE)

February 15, 1965

Africa Department

CURRENCY EQUIVALENTS

Currency Unit	-	CFA franc (CFAF)
U. S. \$1	=	247 CFAF
CFAF 100	=	U. S. \$0.40
CFAF 1,000,000	=	U. S. \$4,000

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BASIC DATA

<u>Area:</u> (thousand square kilometers)	343
(thousand square miles)	131
<u>Population:</u>	
Total (1963 estimated)	865,000
Active population	440,000
Wage earners	70,000
School enrollment (% of children of school age)	75%
<u>Gross Domestic Product (1963 estimates)</u>	
Total GDP	34.2 billion CFAF
GDP/Capita	39,500 CFAF
	\$160 equivalent
Monetary Sector GDP/Capita	34,000 CFAF
	\$137 equivalent
Compound rate of growth GDP (1958-63)	4%
<u>Gross National Product (1963 estimates)</u>	
Total GNP	33.2 billion CFAF
GNP/Capita	38,500 CFAF
<u>Gross Investment Ratio: (in % of GDP)</u>	
	17%
<u>External Trade (recorded in 1963)</u>	
	billion CFAF
Exports	6.2
Imports	15.4
Trade Deficit	9.2
<u>Balance of Payments</u>	
	n.a.
<u>Public Finance (1964 estimates)</u>	
	billion CFAF
Current Receipts	8.8
Current Expenditures	8
Budget Investment Expenditure	1.2
Total External Debt (December 31, 1963)	4
Annual Debt Service Total	0.1
<u>External Assistance</u>	
	billion CFAF
Loans: France (amounts outstanding as of December 31, 1963)	6.7
Grants: (from 1959 up to December 1963)	
France	4.1
EEC	3.9
Other	.9

Summary and Conclusions

1. The Republic of Congo (Brazzaville), one of the four countries of the former Federation of French Equatorial Africa, became independent in 1960. In 1963, a new Government, backed by the trade unions, replaced the one which had been in power since independence. The present Government has adopted a foreign policy of non-alignment and continues to maintain close links with France, the rest of the European Economic Community and former members of the Federation.
2. The economy of the Congo continues to depend heavily on the administrative, military and transport services developed prior to independence when it was the capital of the Federation. As a result, per capita incomes are comparatively high for Africa - about \$160. However, with the expansion of national administrative services in the other countries and the development of other transport facilities, some of Congo's facilities have or will become redundant, accentuating the urban unemployment problem. Moreover, the large French military establishment, which has been stationed in the Congo and provided an important source of earnings and of employment, is now in the process of being substantially reduced.
3. The Government is making a determined effort to expand new sources of economic growth. It has succeeded in attracting foreign private interest in several large investment projects - in sugar, timber and potash. However, it has not been entirely successful in preventing some capital flight or the emigration of a number of expatriates, and as a result private investment in many of the small traditional activities has fallen off.
4. Future prospects thus depend heavily on the success of the major private investment projects now being developed. Firm commitments have been made in timber and sugar and, with reasonable luck in marketing, the expansion of output in these sectors should be sufficient to offset the expected loss of income from sales to the French military within a few years. By 1969 or 1970, development of the potash project could provide another important boost to exports and total incomes. Expansion of food production and manufacturing for the home market could also help to increase incomes and limit the rise in unemployment.
5. However, it is clear that during the next few years, the Congo faces a difficult transition period, with the prospect of stagnant or declining per capita incomes and a real possibility of at least a temporary rise in urban unemployment. If investment can be expanded at a satisfactory rate, it could help to ease the transition problem considerably. The Government has a new Five Year Plan which envisages an increase in the annual rate of investment from about CFA 6 billion (public and private) in the past few years to one of CFA 10 billion in the next five. While it is unlikely that the latter target can be reached, it should be possible to effect a significant increase, provided that standards of project preparation and execution do not fall substantially, and that the Government continues to make progress in increasing public savings. So far, the Government has approached its difficult financial problems sensibly and with courage. However, to permit

an adequate expansion of investment, continued substantial inflows of foreign capital will also be required.

6. Even given continued progress along these lines, the prospects for the next few years are difficult, and until it is clear how well the Congo can weather this transition period, the longer run prospects will remain uncertain. Thus, although present external debt is modest, prudence would dictate that at least for the next several years, the bulk of public foreign capital inflow should be provided on soft terms.

THE ECONOMY OF CONGO (BRAZZAVILLE)

I. General Description

The Country and Population

1. The Republic of the Congo (Brazzaville) was one of the four territories of French Equatorial Africa before it became independent in 1960. Bordered on the north by Gabon, the Cameroon and the Central African Republic and on the south-west by Congo (Leopoldville), it extends some 800 miles inland from the Atlantic Ocean in a strip along the Congo and Oubangui Rivers.
2. The total land area is 343,000 square kilometers, about one-half of which is covered by tropical forest. The climate is humid and tropical, temperatures averaging 21-27 centigrade. The annual rainfall varies from 1,174 to 2,038 millimeters. The main dry season runs from July to September.
3. A population census taken in March 1962 estimated the total population of the Congo at 865,000. This compares to a rough estimate of 675,000 in 1950 and is approximately double that of 1920. The natural rate of increase is about 2% a year and the population is relatively young, about 40% being under 15 years of age. The urban population is large, over one-fourth of the total living in the three largest cities - Brazzaville, Pointe Noire and Dolisie. The expatriate population numbers about 12,000 and still plays an important role in the economy.
4. The active Congolese population equals about two-fifths of the total. About 60% of these are engaged in agriculture, 14% in handicrafts and commerce, 18% are wage earners and the remainder are unemployed.
5. Almost all of the unemployed live in the three main cities and make up around 30% of the urban labor force. However, only about one-third of this unemployed group is listed as actively seeking work. A high degree of urban unemployment has been a serious economic and political problem to the Congo since long before independence. It is aggravated by steady migration of the rural population to the cities, by high drop out rates at the secondary school level, and more recently, by the return of Congolese workers from neighboring countries for political reasons.
6. The education of the population has improved considerably over the past few years. The literacy rate averages about 20% and nearly 80% of the elementary school age population are enrolled. Secondary schooling has also increased, the number of students attending school rising from about 2,000 in 1959 to almost 8,000 in 1963. However, the quality of education received has not kept pace with the larger numbers of students attending school.

Political Developments

7. After the creation of the Federation of French Equatorial Africa in 1910, which included the territories of the Moyen-Congo, Oubangui-Chari, Tchad and Gabon, Brazzaville became the Federation's administrative and commercial capital and the Moyen-Congo, its economic axis. The building of the seaport of Pointe Noire and the construction of the Congo-Ocean Railroad from the port to Brazzaville gave the Congo the facilities for transporting the external trade of the other members of the Federation.

8. In 1946, as an overseas territory in the French Union, the Moyen-Congo elected its first territorial assembly and gained representation in the French Parliament. An extension of the power of the assembly took place in 1956 and universal suffrage was introduced. In 1958, the Moyen-Congo won internal autonomy, becoming the Republic of the Congo, and the territorial assembly was transformed into a National Assembly. The Republic became fully independent in August 1960 and in March 1961 a new constitution established a presidential type regime. The Abbé Fulbert Youlou was named Chief of the Government and in March 1961 was elected President.

9. For some time after independence, President Youlou governed with a mixed cabinet which included members of all parties. However, in 1963, he began discussions with union leaders for the establishment of a single party system, as a way of introducing new and younger representation into the Government. The breaking off of these negotiations resulted in a general strike on August 13, largely supported by public opinion. On August 15, the army declared itself in favor of the revolutionary movement and President Youlou resigned. A provisional government led by Mr. Massemba-Debat was established and he became President in December 1963, when a new constitution was drawn up and a new Assembly elected. The new constitution calls for a semi-presidential type regime with the President and Assembly elected for five years. The President appoints the ministers who are responsible to him, but the Assembly can overthrow the Government by a majority vote of two-thirds.

10. It is difficult to foretell the political evolution of the Congo. The traditional parties have not been dissolved but their political functions have been taken over by the Mouvement National de la Revolution (MNR), which recently became officially the sole political party. The deputies in the new Assembly, which were all elected from a list of the MNR, are for the most part relatively young and are new in politics, often civil servants and teachers. Their political leanings, although not very well known, seem to favor active Government intervention to encourage development. The unions have begun to play an important part in political affairs.

11. The new Government appears to be conscious of the fact that the economy of the country depends on maintaining good relationships with the foreign private sector. Consequently, it has, on the whole, tried to follow an economic policy which would further this relationship. However, some uneasiness has developed in the expatriate community. The revolt of the Lari, the tribe of Mr. Youlou, in February 1964, recalling the 1959 riots in Brazzaville, has also shown that the Government's position is not invulnerable. The

political situation has resulted in capital flight and has dampened new investment, especially by small and medium scale businesses.

12. The Government of Mr. Massemba-Debat has stated that its foreign policy would be one of non-alignment. It has developed new links with the Eastern Bloc and Communist China and still maintains close ties with France. Economic cooperation agreements continue to function and a large number of French civil servants still serve in the Congo under the Congolese Government. However, their number is decreasing and expatriates are progressively being eliminated from executive positions.

13. Relations with Congo (Leopoldville) have deteriorated recently, the government of the latter country having accused the authorities in Brazzaville of supporting leaders of the rebellion against the governments of Mr. Adoula and Mr. Tshombé.

14. The Congo is a member of the franc zone and belongs to the Banque Centrale des Etats d'Afrique Equatoriale et du Cameroun (BCAEC), one of the several central banks issuing CFA francs. It is an associated member of the European Economic Community (EEC) and receives financial assistance from the European Fund. It is also a member of the Union Africaine et Malgache de Cooperation Economique (UAMCE), the economic cooperation association consisting of 14 French-speaking African countries.

15. The Congo has maintained close relations with the other ex-territories of the former Federation. In 1959, wishing to hold on to some of the administrative, economic or financial links which had existed for over half a century during the period of the Federation, the four ex-territories set up the Conférence des Chefs d'Etat d'Afrique Equatoriale, which has the right to raise political questions common to the four states, including problems of defense, and which is responsible for the management of common administrative and technical institutions such as the Agence Transéquatoriale des Communications (ATEC) and the Office Equatorial des Postes et Telecommunications (OEPT). The former members of the Federation also inherited a common external tariff with free movement among them. In 1959 they formed a common customs union, the Union Douanière Equatoriale (UDE), which the Cameroon later joined.

II. Economic Structure and Growth

Total Output and Expenditure

16. The economic structure of the Congolese economy as indicated by the contribution made by the various economic sectors to the Gross Domestic Product is shown in the following table.

Gross Domestic Product (in current prices)

	<u>In billion CFA</u>		<u>In % of GDP</u>	
	<u>1958^{1/}</u>	<u>1963^{2/}</u>	<u>1958</u>	<u>1963</u>
Agriculture, livestock, forestry, and fishing	7.0	8.0	29.4	23.4
Manufacturing, mining, energy, and construction	3.9	5.8	16.3	17.0
Transportation, communications, commerce and other services	7.8	11.7	32.9	34.2
Government services	5.1	8.7	21.4	25.4
Total GDP	23.8	34.2	100.0	100.0
of which monetary sector	19.2	29.2	80.6	85.3

^{1/} Official estimates.

^{2/} Estimates made in the Draft of the First Five Year Development Plan.

17. Except for its geographical location, the Congo is poorly endowed with natural resources. However, per capita GDP is relatively high - CFA 39,500 (\$160) for domestic product as a whole and CFA 34,000 (\$137) for that part of the product which exchanges against money. The monetary sector represents about 85% of the total GDP and is dominated by modern private and public enterprises which possess the necessary productive capital. While the role played by public enterprises is not unimportant, the activities of expatriate private enterprises account for over two-thirds of the value added to monetary sector GDP.

18. The role played by the Congo as the administrative and transit center of the Federation continues to have a pronounced effect on the country's economy, as shown by the high percentage contribution to GDP made by the service sector and by wages and salaries paid by the Administrations. Governmental services which the French have continued to finance since independence - the most important being a large military establishment - contribute significantly to the Congolese economy.

19. A small but relatively diversified industrial sector can, in part, be attributed to the attraction of Brazzaville when it was the Federal capital. There are few mineral resources with the exception of crude petroleum and deposits of high grade potash ores. While production of petroleum began in 1960, the potash deposits have yet to be exploited.

20. Agriculture, forestry, livestock and fishing contribute almost one-fourth to total GDP. Well over half of the production of this sector is accounted for by subsistence output. While a wide variety of agricultural products is grown, the large area covered by forests and the country's poor soils have limited the development of agriculture. The Congo does have, however, sizable reserves of unexploited forest area and timber is its most important export product.

21. The 1963 estimate of GDP represents an increase of 44% over the 1958 level, or a yearly rate of increase of 7.5%. However, approximately half of this was the result of higher prices and the real rate of growth was some 4%. If the increase in population over the period is taken into account, real growth per capita may have been about 2%. Higher outlays on administrative wages and salaries was largely responsible for the increase.

22. Comprehensive data on external income flows are not available. However, it is clear that these are important. Merchandise exports came to about CFA 8.8 billion or 26% of GDP in 1963, while the net sales of services - mainly to the French military establishment - may have been CFA 4.5 billion, sales of services to the army and to other foreigners of over CFA 5 billion being offset by transfers of factor income payments abroad and to a small extent by domestic purchase of invisible imports. Total merchandise imports were CFA 16.0 billion or 45% of GDP, giving a deficit on current account of CFA 2.7 billion. Judging from imports of machinery, equipment and construction material, CFA 6.0 billion was spent on investment. Deduction of the net current account deficit from investment gives national savings of CFA 3.3 billion or 9% of GDP. The balance of payments deficit was apparently financed by gross inflows of capital of CFA 5.0-5.5 billion less debt repayment, capital flight and/or changes in reserves of CFA 2.5-3.0 billion.

Domestic Production of Goods and Services

Services and Administration

23. Transport services accounted for over 10% of the GDP in both 1958 and 1963. The importance of the Congo as the transit center of French Equatorial Africa began with the construction of the Congo-Ocean Railroad, linking Brazzaville to the sea in the 1920's, and the building of the port of Pointe Noire in the 1930's. The landlocked countries of the Central African Republic and Chad were thus provided with an outlet to the sea, the former being already linked to Brazzaville by the Oubangui and Congo Rivers from the port of Bangui. The Federal Artery, as the combined river and rail route was called during the Federation, still serves as the primary channel for the imports and exports of these countries. Since independence, a public interstate organization, ATEC, has been responsible for the management of the ports and the railroad and for the maintenance of the rivers.

24. The activity of the port of Brazzaville has declined by almost 2% a year since traffic with Leopoldville, across the river, fell off after 1959-60. On the other hand, total traffic of the Congo-Ocean Railroad has increased by 8% per year since 1958, while that of the port of Pointe Noire has experienced a rate of growth of 10%, primarily due to the additional traffic handled by the port of Gabon - mainly transshipments of petroleum products and, of greater importance, exports of manganese from the mine of the Compagnie Minière de l'Ogooue (COMILOG). The manganese is shipped to the port by a railroad constructed and owned by the company which joins the Congo-Ocean Railroad about 200 kilometers above Pointe Noire.

25. The importance of the Congo's transit trade and the centralization of the administration of the Federation in the Congo attracted numerous other enterprises, mostly expatriate, providing commercial and financial services. Of a total of over 500 enterprises operating in the Congo immediately before independence, at least one-fifth were classified as export-import houses, banks and insurance companies and another three-fifths as companies providing "other services". Together these amounted to CFA 5.0 billion of GDP. Since the contribution of services to GDP (excluding transportation and those of the Administrations) has remained at about one-third of the total, the number of service enterprises and their importance in the economy has probably remained about the same since independence.

26. Government services, as measured by payments of wages and salaries, came to almost CFA 9.0 billion in 1963. Of this total, over CFA 6.0 billion was spent by the Congolese central and local governments, as compared to about CFA 2.5 billion in 1958, reflecting the transfer of some government services which had been provided by the Federation and by the French prior to independence as well as the large absolute level of expenditures inherited from the period when Brazzaville was the Federation's capital.

27. In addition to the Congolese administrations, the French have continued to provide and finance many government services, notably a large military base. Wages and salaries paid by the French Administration included in government services in the 1963 GDP amounted to CFA 2.4 billion as compared to CFA 2.7 billion in 1958. In addition to local and expatriate personnel financed by the French, employees of those common services which remained in the Congo after independence are still to a large extent financed by other former members of the Federation. The estimated CFA 2.4 billion in wages and salaries paid by the French appears to include only a part of those paid to the military establishment, which can be independently estimated at CFA 3.5 billion in 1963..

Manufacturing and Processing

28. Manufacturing and industrial activity in the Congo consists primarily of industries engaged in processing agricultural products, small factories producing other consumer goods, construction activity and electric power production. Together, these activities accounted for about 17% of GDP in 1963, only a little more than in 1958.

29. A large part of the value added to GDP by processing activity (3%) is by the Société Industrielle et Agricole du Niari (SIAN). SIAN has been active in the Congo since 1938, first in the processing of manioc and groundnuts and since 1956, in the cultivation of sugar cane and production of sugar. Output of refined sugar for domestic consumption and export to the UDE averages 20,000 tons a year and groundnut oil, 2,000 tons. In 1964, SIAN extended its activities to the production of flour and oilcake.

30. Palm oil is processed on large plantations and by individual Africans with hand presses. After declining sharply following independence, by 1963, output of palm oil had regained its 1959 level of 5,000 tons.

31. Other consumer goods manufactured for the local market or for export to the UDE are cigarettes, soap and beverages, accounting for 3% of GDP. Construction activity, largely of public works or infrastructure such as the COMILOG Railroad, contributes about 6% of the GDP, while the production of electricity adds 2%. The latter is supplied by a hydro-station at Brazzaville and two smaller thermal units at Pointe Noire and Dolisie.

Mining

32. Since the Congo does not have much in the way of mineral resources, the contribution of this sector is very small, although it increased from 1958 to 1963 as a result of the production and export of crude petroleum which began in 1960. By 1963, exports had stabilized at 100,000 tons. The Congo's most important mineral resource is ore with a very high potash content (K₂O), large deposits of which were discovered when exploring for oil. Plans for their exploitation are well advanced and production is expected to begin in 1969-70. There are also small deposits of gold and lead exploited on a small scale.

Forestry and Wood Industries

33. At 6% of GDP, forestry exploitation is important to the Congolese economy. Exports of logs in 1963 accounted for over half of the total value of exports to non-UDE countries, amounting to CFA 3.4 billion, or more than double their value in 1958. Until recently the main area of exploitation has been in the Mayombe mountains near Pointe Noire and the most important kinds of woods have been limba and tropical mahoganies. However, future exploitation will take place in the area opened up by the construction of the COMILOG Railroad, west of the Mayombe, where reserves are estimated to be sufficient, at the present rate of exploitation, for up to ten years. Limba will also gradually be replaced by okoumé as the most important kind of timber. Although vast forest resources are known to exist in the northern part of the country, they are at present inaccessible due to the lack of transport facilities. At the present time, exploitation takes the form of logging, the output of sawn timber or plywood, always quite small, having declined from 1958 to 1963.

Agriculture, Livestock and Fishing

34. Agricultural activity, while occupying a large part of the population, consists primarily of subsistence production by Africans of traditional food crops - manioc, maize, root crops, and groundnuts. While African farmers are beginning to grow some cash crops, for the most part these are grown on modern European plantations. The most important cash crops are groundnuts and palm kernels, most of the output being processed into oil, and paddy, maize, coffee, cocoa, tobacco, bananas and other tropical fruits. Total commercialized agricultural production has dropped by about 3,000 tons since independence, with sharp declines in the output of palm kernels, groundnuts, maize and paddy offset by a smaller rise in the output of bananas, coffee and cocoa. However, part of the decline in the commercial sector was probably the result of an increase in subsistence production rather than a drop in the total output, which has remained relatively stagnant.

35. Like most tropical countries, the Congo is not particularly well suited to livestock production. However, cattle breeding has been relatively successful, the number of heads having risen to about 22,000 since the first 50 cattle were imported in 1947. Commercialized output of meat of all kinds was estimated at about 600 tons in 1963 and subsistence output at 400 tons. Nevertheless, imports of meat in considerable quantities are necessary to satisfy local demand.

36. Resources of ocean fish off Pointe Noire are abundant and the domestic demand for fish is high. Imports of fish are second in importance only to wheat flour in the value of imported foodstuffs. While the fish catch averages about 6,000-7,000 tons per year, the yearly catch could exceed 10,000 tons without danger of over-fishing. However, exploitation of these resources has been hampered by the small fishing fleet, inadequate storage space and poor distribution facilities.

External Transactions

37. There are no restrictions on the Congo's external transactions with countries of the franc area. However, other foreign trade operations may be subject to licensing, including quantitative restrictions, depending on the products or countries affected. When the UDE was formed in 1959, it retained the common external tariff of the Federation period. Common customs duties were introduced in 1962 and the UDE was expanded to include the Cameroon. Duties vary between 10-30% of the c.i.f. price of imports and are applied to all countries except those of the CFA area and those of the EEC. In addition, non-discriminatory fiscal duties ranging up to 40% ad valorem are levied on all imports, irrespective of their country of origin.

38. Data are published regularly on merchandise trade with non-UDE countries, the Congo's most important trading partners being France and other European countries. For a few recent years, estimates of trade with the UDE are also available. Data for non-trade transactions of the Congo are estimated only with the non-franc area. As indicated in an earlier section, however, the general structure of the overall payments balance is one of a large trade deficit offset, in part, by net earnings on invisible account, consisting mainly of sales to the French military.

39. Merchandise exports were valued at CFA 8.8 billion in 1963, including CFA 2.6 billion of exports to other members of the UDE, while imports equalled CFA 16 billion, UDE imports CFA 0.6 billion. The value of merchandise exports has increased by over 60% since 1959, rising by almost 25% in 1960 when the Congo began to export crude petroleum, by about 10% in 1961 and in 1962, and by 18% in 1963 as a result of larger exports of sugar, wood, and wood products. The value of imports showed a net increase of somewhat over 10%, rising by about 35% in 1960 and in 1961 due to imports of material and equipment for the COMILOG project and falling by some 17% in 1962 after the completion of the construction of the COMILOG Railroad. A further decline in import values was recorded in 1963.

40. Exports of timber, almost entirely in the form of logs, have always been the most important source of export earnings, accounting in 1963 for over 60% of the value of exports to non-UDE countries and about 40% of the total value of exports. Wood exports are followed in importance by exports of sugar to other UDE members. These made up 20% of total exports in 1963. Other exports to non-UDE countries are agricultural products, primarily palm kernels and groundnuts and products, plus coffee, cocoa and tobacco. Mineral exports consist of crude petroleum and small amounts of gold. Other exports to UDE members in addition to sugar are cigarettes, soap, beer, and soft drinks.

41. Imports in 1963 consisted largely of consumer goods which made up almost 40% of the total value. As large amounts of foodstuffs are necessary to feed the large urban population, imports of food and beverages account for 20% of the total value of imports. The most important items in this category are imports of meat from Chad and Europe, fish, wheat flour, dairy products, wine and beer. Other consumer goods imported are cotton material, wearing apparel, and automobiles. Imports of industrial materials, chiefly of machinery, iron and steel bars, and cement equal 25% of the total value and imports of petroleum products, 6%.

42. Although data on other balance of payments transactions are lacking, it is possible to make a rough estimate of invisible trade and transfers of factor income. The most significant source of receipts from the export of invisibles is the sale of goods and services to French personnel engaged in carrying out governmental services provided by the French to the Congo, chiefly in the army. In 1963, CFA 5.7 billion was disbursed from French resources to cover current expenditures of French military and civilian services. Of this total, perhaps CFA 1.0 billion can be estimated as direct purchases of goods and services and an additional CFA 3.5 billion as outlays from wages and salaries received by French personnel. Of the total, over 70% can be attributed to the military establishment.

43. Additional receipts from invisible transactions and transfers of factor income came to about CFA 1.0 billion. Purchases of invisible items by Congolese and payments of factor income abroad can be estimated at CFA 1.0 billion, most of which consisted of transfers of investment income. Therefore, net receipts from the sales of invisibles to foreigners was equal to well over half of the net deficit on merchandise trade, leaving a total net deficit on current account of CFA 2.7 billion.

III. Prospects for Production and Export Earnings

44. While the real rate of growth of the Congolese economy has not been insignificant since independence, the country is faced with a number of problems in the immediate future which will make it difficult to maintain this rate in the next few years. As has been pointed out, up to now earnings from services, notably receipts from invisible exports, have been a mainstay of the Congolese economy. However, these are now declining and will probably drop sharply in the next few years. Future growth of the economy will, therefore

depend to a very large extent on increased investments in commodity production, particularly in the export sector, and to a lesser extent for the domestic market.

Invisible Exports

45. The contribution of the exports of services and other invisible items to Congolese foreign exchange earnings began to decline in 1964 and a further significant drop may be expected over the next few years. The most important source of these earnings has been sales of goods and services to French military personnel stationed in the Congo. These will decline abruptly or disappear altogether if the military establishment is reduced in size or closed down in the next year or two as is presently expected. While of less importance, lower receipts from sales to French civilian personnel can be anticipated as their numbers decline with the continued Africanization of the public sector. Another factor which may also contribute to the drop in invisible exports is the already existing pressure from other members toward the decentralization of the common services, most of which are now located in the Congo.

46. In addition to the above, a drop in the Congo's earnings on the export of transit services is also possible as a result of the construction of the Trans-Cameroon Railroad. Completion of the railroad as far as N'Gaoundéré in the north of the Cameroon is expected by 1970. This will probably attract most of the traffic of Southern Chad, traditionally carried on the Federal Artery, and some of the traffic of the Central African Republic. However, it is very difficult to say what the net loss in transit earnings to the Congo will be. The present traffic of Chad and the Central African Republic transported via the Congo is approximately 200,000-300,000 tons; but this is only an approximation. While loss of this traffic would definitely affect the activity of the port of Brazzaville and traffic on the rivers north of Brazzaville, this could be offset by the increase in traffic of the Congo-Ocean Railroad, west of Brazzaville, and of the port of Pointe Noire, which will result from additional Congolese exports.

Merchandise Exports

47. In contrast to prospects for invisible exports, those for merchandise exports are relatively promising. With luck, the total value should rise from CFA 8.8 billion in 1963 to CFA 14 billion by 1968 and to perhaps a CFA 20 billion level by 1973, largely owing to increased investments in the sugar industry, in forestry and processed wood products, and to exploitation of the potash deposits.

48. With respect to sugar, exports by SIAN to the other members of the UDE can be expected to increase from CFA 1.8 billion in 1963 to CFA 2.5 billion by 1968 as a result of a recent expansion in the capacity of its sugar mill to 35,000 tons. The greater capacity was required to permit SIAN's production to keep up with the fast growth in sugar consumption in the Congo, in the Central African Republic and especially in Chad. Sales may also be extended to Gabon which now imports its sugar from Europe.

Although SIAN intends to install a sugar refinery in Chad in the near future, the raw material for the refinery will come from SIAN-Congo, at least until 1970 when SIAN plans to try to cultivate sugar cane in Chad. However, exports of refined sugar to Chad from the Congo will remain approximately the same as in 1963 as the capacity of the Chad refinery will be only 6,000 tons, an output which would meet only a part of Chad's large and increasing demand for sugar. Exports to the Central African Republic, which presently make up about 12% of the total, will also continue to increase moderately.

49. Much more important than sugar exports to the UDE market, will be exports to Europe from the Société Sucrière du Niari (Sosuniari), a new company organized by SIAN and its parent company, the Grands Moulins de Paris. Construction of the sugar plant, which is to have a capacity of 100,000 tons, began in the fall of 1964 and it is expected to be ready to begin production by mid-1966 or early 1967. Sosuniari may, of course, run into difficulties in marketing an output of as much as 100,000 tons, since it will have to sell its sugar at world market prices in Europe under the Treaty of Association with the Common Market. It will also meet with increased competition from other new producers in Africa. In spite of these factors, the company estimates that it will be able to break even at a world market price of from 4 to 5 cents a pound. The average world market price for sugar presently being estimated over the next ten to fifteen years is between 4 and 4.5 cents a pound. Sosuniari will, of course, benefit from a relatively high degree of protection under the External Tariff of the Common Market, although it will receive no other special privileges such as those presently existing in the French market for sugar. Assuming sales of approximately 90,000 tons at a world market price of between 4.5 and 5 cents a pound, the value of Sosuniari's exports can be estimated at CFA 2.2 - 2.5 billion in 1968. Assuming sales of 100,000 tons in 1973 at a world price of 4 to 4.5 cents, the value of exports would range from CFA 2.0 to CFA 2.2 billion.

50. In addition to sugar, the value of exports of wood and wood products is expected to rise from CFA 3.6 billion in 1963 to CFA 5 billion by 1968. A small additional increase might be expected by 1973 of perhaps CFA 0.7-0.8 billion in wood products. Although there will be little change in the quantity exported, an increase in the value of logs exported of about 15% may result from the replacement of limba by higher priced okoumé. Exports of sawn timber are expected to double in value as larger resources are made available from the forest area made accessible by the COMILOG Railroad. The export value of veneer and plywood could reach a level almost seven times higher than that of 1963 if full use is made of the increased capacity of the processing industry resulting from the installation of a new expatriate company which began production in 1964 and the extension of capacity of an existing concern. While prospects for world market prices of tropical woods are good, there are difficulties in finding outlets, particularly for odd lots, due to the distance from world markets. However, if serious marketing and technical difficulties can be avoided, a further increase of about CFA 0.7 billion might be expected in the value of processed exports from 1968 to 1973. Exports of logs will probably remain at about CFA 4 billion due to the

exhaustion of easily accessible reserves. Exploitation of the vast timber resources of the north will require large amounts of additional investment in roads and other facilities, which may hinder or delay their exploitation.

51. The most important single source of additional export earnings will be exports of potash now expected to begin in 1969 or 1970. The deposits will be exploited by a newly formed company consisting of public French and Congolese interests and a privately owned American company. Exports of 500,000 tons of K_2O at expected world market prices for potash would add CFA 5 - 6 billion to the Congo's earnings from merchandise exports. Unlike timber resources, those of potash are more than sufficient for long-term production at the projected rate of exploitation. Possible favorable developments in the market for potash in the long run, based on past increases in world consumption, might even permit an increase in output, although this is uncertain in view of competing sources of supply.

52. With respect to other exports, present earnings from crude petroleum, which now average CFA 0.4 billion, will fall sharply or stop altogether after 1970 when present reserves are expected to be used up. Although exploration for additional deposits of oil continues, including offshore drillings, the results, so far, have not been promising. The value of agricultural exports might increase by 50% or from CFA 0.8 billion in 1963 to CFA 1.3 billion by 1968 and perhaps another 50% by 1973. These estimates are probably on the low side since the largest increases in production for export have been planned in processed oils and tropical fruits, both of which have reasonably good prospects based on present forecasts of world demand. Exports of miscellaneous manufactured products to the UDE market might continue to rise, but this is uncertain because the Congo already has a fairly large share of the market.

Production for the Home Market

53. With a virtual stagnation expected in net income from exports of goods and services over the next several years, the growth of the economy will depend heavily on the rate at which output can be expanded for the home market.

54. In the case of food products, the increased capacity of SIAN referred to earlier will permit it to continue to meet the increase in domestic demand for sugar which now averages about 20-25% per year. In addition, production of flour by SIAN's newly constructed flour mill can be expected to average 7,500 tons per year at capacity production. New investments in equipment and storage facilities will permit the expansion of fishing activity and a new brewery will add to the output of beer and soft drinks.

55. A small increase in commercialized agricultural and livestock production is likely, owing to an improvement in the quality and quantity of the yield from cultivation of the existing acreage planted with traditional

crops, such as maize and paddy, as well as by improved storage facilities. Experimentation with the growing of fruits and vegetables to supply urban areas is also planned. While the Government intends to encourage commercialized breeding of livestock by the formation of collective herds and Government-owned ranches, this may be offset by decreasing activity of European breeders.

56. Additional industrial activity will result from the production of a new cement plant with a capacity of 50,000-80,000 tons. While there may be other new manufacturing activities, for example a confectionery and a carton factory, the expansion of this sector is limited by the small size of the domestic market.

57. The demand for electric energy will continue to grow, especially in the Niari Valley, the site of SIAN and its affiliates and the location of the proposed cement plant. Construction activity should also increase substantially if even a sizeable portion of the proposed Five Year Plan is carried out.^{1/}

Overall Growth Prospects in Exports and Production

58. While exports of merchandise are likely to increase by a substantial amount in the years between 1964 and 1968, this increase will be offset by a large drop in invisible exports, largely resulting from the loss of sales to French personnel stationed in the Congo. There will also be some rise in payments of transfer income abroad. No real growth in net export receipts over the next five years can, therefore, be expected. Although a moderate increase in production for the home market should take place, it will be difficult to maintain the recent overall growth rate of around 4% in the next several years. This probable reduction in the growth rate will tend to intensify the Congo's employment problem and associated social pressures. This could in turn lead to continued or intensified uneasiness among private investors with possible further adverse effects on economic activity. However, if the economy can weather these transitional difficulties, prospects should be good for an acceleration in the growth of exports and total GDP by 1967 or 1968, as the investments now underway and planned begin to bear fruit.

IV. Finance

Money and Credit

59. The Congo shares a common monetary system with the other three countries of the former Federation and the Cameroon. The Banque Centrale des Etats de l'Afrique Equatoriale acts as a central bank for these countries and issues their common currency, the CFA franc. It is tied to the French franc in the fixed ratio of 1 CFA franc equals 0.02 French francs and trades at a rate of 247 CFA francs to 1 U.S. dollar.

^{1/} See paragraphs 76-78.

60. The Banque Centrale, whose headquarters is in Paris, holds the exchange reserves of all member countries in the form of French francs and transactions in foreign currencies are handled through an operations account with the French Treasury. Reserves include both those resulting from transactions with other members of the franc area and from exports and imports of non-franc area countries. Separate data on the Congo's balance in the operations account are not available but the total amount outstanding for the four Equatorial African members together was CFA 5.2 billion at December 31, 1963, a decline of CFA 1.8 billion from the preceding year.

61. Because the CFA franc circulates freely within the monetary area, it is impossible to obtain precise figures on the money supply of the Congo. However, judging from data on demand deposits and on CFA francs issued in the Congo, it appears that the money supply rose by around 30% between 1958 and 1963, about the same growth rate as GDP in current prices. The relatively high degree of monetization of the Congo's economy is reflected in the fact that the estimated money supply in 1963 of CFA 8.1 billion^{1/} corresponded to 25% of GDP, quite a high ratio for a country at the Congo's level of per capita income.

62. In addition to issuing CFA currency, the Banque Centrale grants short and medium term credit to the private sector by rediscounting commercial paper presented by the commercial banks and by certain private enterprises. From the end of 1958 to the end of 1962, the cumulative increase in these rediscounts amounted to about CFA 700 million, equivalent to about one-third of the increase in the money supply in the same period. Although the Banque Centrale cannot lend to member governments, the latter can obtain short term credits from the French Treasury. In the case of the Congo, such credits outstanding at the end of 1963 amounted to CFA 700 million. Although there are no statutory limits to the amount of credit from the Banque Centrale or the French Treasury which may be extended to the member countries, these agencies do have administrative power to determine limits to such credit; and, in effect, this power over credit creation makes it possible for the Banque Centrale to guarantee full convertibility of the CFA franc into French francs or other currencies of the franc area.

Public Finance

63. Current budget receipts and expenditures play an important role in the Congolese economy, each amounting to about 25% of GDP. The tradition of large budgetary expenditure was inherited from the period when Brazzaville was the capital of the Federation, a deficit in the current budget of the Congo being automatically financed by a subsidy from the Federation budget. After the Federation was dissolved, the deficits were financed by a direct subsidy from the French Treasury supplemented by short term credits when the deficits were larger than expected, and this practice has continued on a negotiated basis after independence. However, the amount of budgetary aid from France has declined due to both the French preference for granting aid on a project basis and the Congo's desire to reduce its dependence on such aid. In the

^{1/} Assumes all 3.4 billion CFA issued in the Congo were in fact still circulating in the Congo.

past two years, the country has made considerable progress in the fiscal area by increasing tax revenues and holding down the growth of current outlays. A balanced budget was probably achieved in 1963 and there may even have been a surplus of current revenues over expenditures in 1964. However, the country still faces a problem in raising enough revenue to permit an expanded contribution to the financing of capital outlays.

64. Current budget receipts from internal sources in 1964 have been officially estimated at CFA 8.8 billion, an increase of CFA 3.9 billion or 80% since independence. However, about 30% of this increase can be accounted for by receipts which previously accrued to the Federation budget. Of total receipts, over 90% came from fiscal sources, indirect taxes (primarily import duties) accounting for almost two-thirds of the total. Direct taxes provided 20% of total resources. Total current revenues rose by over CFA 700 million between 1962 and 1963. Nearly half of this was the result of a substantial reform in the direct tax structure together with an increase in tax rates. The remainder was due to higher import duties and the imposition of new taxes on exports and imports. An additional small increase was expected in 1964, although no further changes in rates or structure were contemplated.

65. Current expenditures of the Government were officially estimated at CFA 8 billion in 1964, an increase of CFA 3.3 billion or 70% since independence. In the case of expenditures, as for receipts, a part of the increase, about 20%, resulted from the transfer to the Congo's budget of expenditures formerly carried out by the Federation and by the French. Expenditures for social services accounted for about 32% of total current outlays in the 1964 budget, general administration for 16% and contributions, subsidies and repayments for 13%. The largest rise in expenditures since independence has been for security and armed forces, which increased from 2% in 1960 to 16% in 1964. Smaller increases have taken place in the shares of general administration and economic services. Outlays on wages and salaries have risen from 50% to 60% of total outlays. In spite of the increase in expenditures which has occurred since 1960, the new Government has made considerable efforts to reduce the rate at which they are rising, the increase being only 5% from 1962 to 1963 as compared to 24% from 1961 to 1962 and over 30% from 1960 to 1961. While a decrease in current expenditures has been forecast for 1964, the Government will have done well if it has succeeded in holding outlays to the level of the previous year.

66. Allocations for investment from current revenues over the nine years 1955-1963 amounted to less than CFA 2 billion, of which 20% was covered by external receipts from French subsidies and loans for investment purposes. In 1964, an attempt was made to allocate to investment no less than CFA 1.2 billion. About half of the increased resources were expected to come from a Road Fund which was to receive all of the taxes on fuels. However, when the 1964 budget was published, CFA 400 million had still to be found from undetermined sources to cover the planned outlays. The resources derived from the Road Fund were to be used for the construction of new roads and CFA 3 billion was to be spent on building construction. The rest was budgeted for purchases of capital equipment and repayment of a small amount of debt. In addition to saving by the Central Government, saving by public enterprises from 1960 to 1964, estimated by transfers to renewal funds, equalled over CFA 2 billion.

67. The position of the Congo over the past few years is summarized in the table below. The figures for 1963 and 1964 are budget estimates, while those for earlier years are actual results.

<u>Public Revenues and Expenditures, 1955-64</u>										
(in billion CFA francs)										
	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963^{1/}</u>	<u>1964^{1/}</u>
<u>Revenues</u>										
Internal ^{2/}	.9	.9	1.2	2.0	3.2	4.9	5.9	7.3	8.6	8.8
External	.6	.7	.8	.8	.5	.2	.6	.7	.1	-
Reserve Fund	⌘	⌘	⌘	-	-	.1	⌘	-	-	-
Total	<u>1.5</u>	<u>1.6</u>	<u>2.0</u>	<u>2.8</u>	<u>3.7</u>	<u>5.2</u>	<u>6.5</u>	<u>8.0</u>	<u>8.7</u>	<u>8.8</u>
<u>Expenditures</u>										
Current	1.5	1.6	1.9	2.6	3.5	4.7	6.5	8.0	8.4	8.0
Allocations for in- vestment	⌘	⌘	⌘	.1	.1	.3	.3	.3	.4	1.2
Total	<u>1.5</u>	<u>1.6</u>	<u>1.9</u>	<u>2.7</u>	<u>3.6</u>	<u>5.0</u>	<u>6.8</u>	<u>8.3</u>	<u>8.8</u>	<u>9.2</u>

^{1/} Budget estimates.

^{2/} All current revenues.

⌘ Less than CFA 50 million.

68. As to future prospects, tax rates are in fact already comparatively high and could not be raised much further without adverse effects on investment and economic activity. Together with the slow down in the growth rate expected in the next few years, this means that the medium run outlook for revenues is for a considerably slower growth than the 10% rate of the past four years. Assuming no substantial deterioration in the collection rate, as the result of the planned transfer of the collection function from the French to the Congolese administration, and assuming that sufficient foreign resources are available to permit an expansion of imports, it may be possible for tax revenues to expand by around 4% or 5% a year in the next few years. After 1967 or 1968, the growth of revenues should be faster if economic activity picks up to the rate which seems possible.

69. On the expenditure side, it will be difficult for the Government to maintain its efforts to keep expenditures from increasing. Some further shifts of responsibilities from the French to the Congolese budget have yet to be carried out and other pressures for increased current expenditure will continue to be strong. No further increases should be necessary in outlays on security and general administration and it should be possible to limit increases in expenditures on education and health to improvements in quality, since past outlays have already been high. However, higher outlays on road maintenance and public works can be economically justified. Taking

this into account, some increase in public saving should be possible, if the Government succeeds in holding the increase in current expenditures to the same rate of growth which seems possible for revenues, i.e. around 4-5% in the next few years.

70. Total external debt of the Congolese Government outstanding at the end of 1963 amounted to about CFA 3 billion (\$12.1 million equivalent). The largest single item represents the Congo's contribution to the FIDES investment programs before independence. In 1962 this was consolidated and converted into a 40-year loan at 1% at the Caisse Centrale^{1/} and accounts for approximately 65% of the total external debt. About CFA 80 million represents 20-year loans which were made to the Federation and were taken over in part by the Congolese Government at the time of independence. The remainder consists of direct loans made by the Caisse Centrale to the Congo, about half of which was for the purchase of the Plantations de la Sangha. External debt under negotiation consists of a loan of DM 8 million from the German Government and \$5 million from Communist China.^{2/} The Congo also is a guarantor, with France and the Gabon, of the Bank's loan to COMILOG of \$35 million. Accumulated "short term credits" of CFA 700 million extended by the French Treasury are also, in fact, potential external public debt of the Government.

71. The Congo had internal debt outstanding at the end of 1963 of about CFA 200 million, largely to local pension and reserve funds, over half of which must be repaid within the next five years. Internal debt is unlikely to increase in the immediate future. A project to issue equipment bonds has been under discussion but has not so far been put into effect.

72. Debt service will amount to CFA 100 million in 1964, or 1% of current Government expenditures as compared to 1.6% in 1963. The amount of external debt service in 1963 was CFA 85 million or 60% of total debt service in that year.

V. Investment and Sources of Finance

Past Investment and Financing, 1959-63

73. Capital expenditures made with French grants and loans in the early and mid-1950's had left the Congo relatively well provided with basic infrastructure, at least in the south and with the exception of roads. Some industrial investment financed by inflows of private capital had also taken place. Total investment expenditures in the Congo, after the dissolution of the Federation in 1959 through the end of 1963, can be roughly estimated at about CFA 31 or 32 billion, giving an average annual outlay of slightly over CFA 6 billion, about the same in real terms as average annual outlays in preceding years.

74. Almost half of total investment in the 1959-1963 period was in the private sector. Out of a total of some CFA 13.7 billion, 85% was accounted

^{1/} Caisse Centrale de Coopération Economique.

^{2/} Signed at the end of 1964.

for by outlays on the COMILOG project for construction and improvements of transportation facilities in the Congo, including the COMILOG Railroad. The rest was spent on the installations necessary for the exploitation of the petroleum deposits at Pointe Indienne and on increased capacity in the wood and food processing industries. Private investment outlays were financed by inflows of foreign private capital of approximately CFA 7 billion and disbursements of CFA 6.3 billion of a World Bank loan to the COMILOG project.

75. Public sector investment can be estimated at about CFA 17.0 billion, of which 60% was invested in infrastructure and urban development, including CFA 1.5 billion spent by ATEC to improve facilities to be used by COMILOG. Of the remaining amount, 15% was spent on improvements in production, largely agricultural, another 15% on education and health and the rest on rural development and studies. The most important source of finance for investment in the public sector was from French grants. These were supplemented by grants from the European Fund and to a lesser extent from the United States and the United Nations. Total commitments of foreign aid over the period came to CFA 10 billion or to 66% of public investment outlays. If public loans from France are added to grants, this percentage coverage is increased to 80%. Financing from domestic resources came primarily from outlays of municipalities, loans of public financing institutions and investments of public enterprises. Domestic outlays on investment financed by current public saving amounted to only CFA 0.9 billion.

Future Investment and Financing, 1964-68

76. Investments in the Congo in the future will be coordinated within the framework of a Development Plan covering the period from 1964 to 1968. The Plan projects total investment in the five year period at CFA 50 billion, of which approximately half is allocated to the private sector and somewhat over half to the public sector. Most of the planned investment in the private sector is accounted for by the proposed increase in productive capacity in wood, wood products, and sugar, and by the exploitation of the potash deposits. The proposed financing of these investments consists of foreign private loans and direct investment and possibly some public capital in the case of the potash project.

77. About one-third of the planned investment in the public sector has been earmarked for infrastructure, primarily for the construction of new roads, and another third for urban improvement. The remainder has been allocated equally between outlays on education and public health on the one hand and on rural development and improvements in production on the other.

78. Proposed financing of public sector investment in the Plan consists of foreign grants, largely from France and the European Fund, amounting to CFA 12.5 billion, foreign public loans amounting to CFA 4.0 billion and domestic resources of CFA 9.7 billion. Of the last mentioned amount, CFA 4.0 billion represents the hoped for increase in public saving, CFA 4.0 billion, increased revenues from taxes of municipalities, and the remainder, loans from the Banque Nationale de Développement du Congo. However, since a large part of the resources of the latter consist of advances from the Caisse Centrale, the bulk of such loans would, in effect, be foreign borrowing.^{1/}

^{1/} A summary of estimated investment from 1959 to 1963 and how it was financed, as well as investment and sources of finance for 1964 to 1968, as projected in the Plan, is shown in Table 18.

Appraisal of Planned Investment and Sources of Finance

79. From what is known about the detail of the private sector investment plan, the total of investment forecast might well be realized, especially if account is taken of the Sosuniari project which is not included in the original plan estimates and which would tend to offset any delay in the timing of investment in the potash project. However, on both financing and technical grounds, the estimate of public investment in the Plan seems definitely too high. A more realistic estimate of investment in the public sector might be in the order of CFA 15 to 20 billion, putting total investment at CFA 40-45 billion.

80. While political factors may have an adverse effect on some areas of private investment and even on the sources and amounts of foreign aid, the Government seems sincere in its efforts to increase the level of public saving and investment. It may not be possible to raise the amount of public savings called for in the Plan, but perhaps one-half or one-third of the amount forecast might be raised if efforts to increase revenues and to hold down current expenditures are successfully maintained.

81. Planned investment in productive activities and road construction would total about CFA 2.0 billion, an amount equal to the total increase in public saving which can realistically be expected. The remainder has been allocated to outlays on education and health, sectors in which increased investment has relatively low priority. Since the Government has taken a pragmatic attitude in the past with respect to dropping projects for which finance is not available, it is not unlikely that it will continue to do so. It is, in fact, interesting to note that few, if any, prestige projects have been included in the Plan. The formerly much pushed-for Kouilou Dam, costing CFA 150 billion (\$160 million), has not been included in planned investment, the Government apparently recognizing that the financing of Kouilou depends on the prior existence of a firm market for the power, which the Congolese cannot assure.

82. Projected loans of the development bank to the industrial and agricultural sectors and investments in infrastructure from the renewal funds of public enterprises will no doubt be carried out. However, planned expenditures on urban improvements, being conditional on new tax efforts on the part of municipalities, are much more doubtful.

83. Foreign grants, estimated at CFA 12.5 billion, a higher amount than was committed in the previous five year period, might be more realistically estimated at CFA 7-10 billion, owing to difficulties in the preparation of projects and to the desire of the Congo to reduce its dependence on France. Loans from the French Government of CFA 4 billion are also somewhat larger than in the preceding period.

VI. Economic Prospects

84. The Congo is passing through a difficult period of adjustment from an economy based largely on earnings from services (for the most part result-

ing from French military and other expenditures) to one which must rely much more heavily on the production of goods. The adjustment will be difficult although not impossible.

85. Increased investment in the commodity sector of the economy within the next five years should result in higher earnings from merchandise exports, especially processed timber and sugar. However, owing to the expected withdrawal of French troops, a sharp drop in invisible receipts will make the foreign exchange problem difficult at least until 1968. Substantial imports of capital will therefore be required to permit any significant expansion of imports.

86. While some increase in production for the home market can also be expected, possibilities for import substitution are fairly limited. Imports of consumer goods, especially foodstuffs, will remain high because of the degree of urbanization and larger imports of raw materials and investment goods will be necessary to carry out the planned investment program.

87. Domestic investment in the past has been financed almost entirely by foreign grants and low cost loans and by foreign private saving in the form of reinvested earnings. Although the Government intends to increase the rate of public saving over the next few years and has already taken steps to raise current revenues and slow down the rate of increase of current expenditures, domestic saving cannot be expected to finance more than a small part of the planned investment outlays.

88. Service on outstanding debt is at present modest and there may be a modest margin for borrowing on conventional terms despite the uncertain outlook. While most of the new conventional debt envisaged under the Five Year Plan would be incurred by private investors, a part of this will probably be guaranteed by the Government and therefore would represent a contingent liability on budgetary resources. Some additional direct public debt on conventional terms is envisaged in the Plan, which might add as much as CFA 400 million to public debt service by 1968. Given the budgetary and exchange problems confronting the Government, an increase of even this order of magnitude could constitute a significant financial strain. Both the budgetary and foreign exchange problems confronting the economy might well be eased after several years if the favorable export prospects for potash, sugar and timber materialize. However, the overall outlook for the economy will remain uncertain until it can be seen how well the Congo weathers the transitional problems of the immediate future. Until this uncertainty is removed, prudence would dictate that the major share of public capital inflow be provided on soft terms.

January 28, 1965

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TABLE 1
EXTERNAL PUBLIC DEBT
in millions of CFA francs

	<u>Original Amount Borrowed ^{1/}</u>	<u>Outstanding December 31, 1963^{1/}</u>
<u>Congolese Government^{2/}</u>		
Owed to the Caisse Centrale	2,932.8	2,736.4
Owed to the French Treasury ^{3/}	<u>690.4</u>	<u>690.4</u>
	3,623.2	3,426.8
<u>Other Public and Semi-Public^{4/}</u>		
Public Enterprises and Funds	4,257.6	3,498.6
Municipalities	631.3	366.5
Total	<u>4,888.9</u>	<u>3,865.1</u>

^{1/} Capital amount only.

^{2/} Debt service on outstanding debt of the Congolese Government will fall from CFA 140 million in 1963 to an estimated CFA 90 million by 1968, remaining at approximately that level.

^{3/} For coverage of cumulated Budget deficit.

^{4/} Owed to the Caisse Centrale.

Source: Caisse Centrale and Ministère des Finances.

TABLE 2

INDICATORS OF ECONOMIC GROWTH

	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
	1958 = 100						
GDP/capita (at current prices)	-	100	-	-	-	-	127
Monetary Sector GDP capita	-	100	-	-	-	-	135
Authorizations for construction ^{1/}	84	100	145	-	152	353	490
Motor vehicles registered	88	100	-	-	-	118	-
Power consumption	88	100	98	127	136	160	178
Value of industrial output ^{2/}	43	100	337	388	323	414	506
Education: Primary	86	100	113	126	147	171	187
Secondary	75	100	120	170	220	295	400
Volume of imports	98	100	101	135	155	133	123
Volume of exports	90	100	115	160	184	218	208
Rail freight: ton/kilometer	90	100	115	134	149	150	-
tons	93	100	118	130	142	149	-
Port traffic: ^{3/} Freight	90	100	105	129	131	141	407
Passengers	96	100	102	99	94	115	-
Air traffic: ^{3/} Freight	93	100	102	104	118	115	107
Passengers	89	100	101	139	138	148	125

^{1/} Pointe Noire.

^{2/} Output of sugar, beer, cigarettes, soap, palm oil, weighted by average export prices.

^{3/} Brazzaville and Pointe Noire.

TABLE 3

MOVEMENT IN PRICES AND SALARIES

<u>Retail Prices</u> ^{1/}	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>			<u>1963</u>			<u>1964</u>	
	base	av.	av.	av.	av.	av.	Jan.	May	Aug.	Feb.	July	Nov.	Jan.	
General	100	107.7	122.1	130.3	134.7	143.9	145.2	152.5	153.1	162.8	164.4	162.7	164.3	
Food	100	112.2	126.2	134.9	137.9	146.3	145.6	151.2	151.9	165.6	167.9	163.3	166.3	
Electricity & water	100	105.2	114.3	122.7	125.1	140.3	145.5	148.1	148.6	149.1	149.8	154.2	154.6	
Personal services	100	101.9	113.2	127.9	134.1	140.9	145.2	174.6	174.6	174.6	174.6	174.6	174.6	
Clothing	100	101.3	126.5	124.2	127.3	133.6	131.6	135.7	136.5	145.0	146.2	145.8	145.7	
Miscellaneous	100	99.2	113.7	124.3	131.6	142.9	151.7	155.2	145.0	160.3	161.3	166.3	167.1	
<u>Wholesale Prices</u> ^{2/}			base	av.	av.	av.		May			July	Nov.	Feb.	
General			100	105.5	112.9	117.0		124.6			131.2	134.0	132.5	
Food products			100	109.7	115.2	115.7		123.8			134.5	135.2	135.2	
Energy			100	110.6	116.7	120.1		128.9			136.3	137.1	137.4	
Industrial products			100	100.4	110.5	117.1		123.9			126.4	131.7	137.3	
<u>Salaries</u>	base	May	Jan.	April	July	Jan.		May			July		Jan.	June
1st zone ^{3/}	100	111.7	124.4	139.4	147.3	147.3		177.2			177.2		177.2	177.

^{1/} European consumption in Brazzaville.

^{2/} Brazzaville.

^{3/} Minimum guaranteed hourly wages in Brazzaville, Pointe Noire, and Dolisie.

Source: Bulletin Mensuel des Statistiques;
Banque Centrale Etudes et Statistiques - Bulletin Mensuel.

TABLE 4

PRINCIPAL PRODUCTION SERIES

in tons

	1957	1958	1959	1960	1961	1962	1963
<u>A. Commercialized Agricultural Output</u>							
Maize	1351	1119	1421	1679	622	-	-
Paddy	2099	1720	3468	3680	1826	-	-
Palm kernels	6383	6548	6517	6782	7420	-	-
Groundnuts	11199	8500	8100	8129	11164	-	-
Cocoa	245	397	481	695	808	-	-
Coffee	67	173	232	481	426	-	-
Bananas	600	971	1150	1384	3517	-	-
Tobacco	715	454	695	695	808	-	-
<u>B. Mining Production</u>							
Gold (kg)	231	188	114	82	105	115	92
Lead	3480	6690	8890	7660	1600	-	130
Zinc	-	-	-	391	3370	2230	133
Copper	-	-	-	-	334	3280	830
Tin	-	35	44	47	63	62	50
Petroleum	-	-	-	52000	103000	123000	109000
<u>C. Industrial and Power Production</u>							
Sugar	-	7156	10100	13201	15324	17730	22313
Beer (hl)	-	-	24320	32700	21098	18000	30000
Soap	2400	-	896	1133	3802	1386	1822
Cigarettes	-	-	735	825	837	768	859
Palm oil	4760	4582	4980	285	420	-	-
Groundnut oil	1200	912	1168	1764	3617	-	-
Fish	2600	3837	4084	5541	5750	7622	7652
Electricity (000 kwh)	22707	21084	21141 ^{1/}	26836	32096	36591	41579

^{1/} 10 months.

Source: Bulletin Mensuel des Statistiques.

TABLE 5

TRANSPORTATION

	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>
<u>Railroad Traffic</u> ^{1/}								
Passengers (no.)	—	—	—	—	517,500	560,600	613,300	733,200
Freight- to Brazzaville (tons)	—	200,300	196,900	208,200	240,000	349,400	451,100	466,300
- from Brazzaville (tons)	—	257,600	310,600	338,300	405,200	363,600	324,200	346,400
Passenger kilometers (million)	—	—	—	—	54.3	59.6	72.5	31.7
Ton kilometers (million)	—	132.4	143.8	153.4	132.7	216.6	235.3	237.6
<u>Maritime Traffic</u>								
at Pointe Noire								
Ships entering (no.)	521	532	594	790	815	341	790	354
Passengers-arriving (no.)	5,360	4,294	4,725	5,240	5,097	4,629	4,244	6,306
-departing (no.)	4,650	4,696	4,745	4,954	5,923	5,403	4,733	4,993
Freight-tons unloaded	165,000	190,000	204,500	234,300	238,792	342,147	436,140	402,316
-tons loaded	207,000	234,000	237,100	314,619	345,342	425,003	357,322	469,025
at Brazzaville								
Ships entering (no.)	—	—	124	136	140	165	177	—
Passengers-arriving (no.)	—	—	2,545	3,427	3,146	4,055	4,113	4,600
-departing (no.)	—	—	3,350	3,983	3,314	3,426	3,537	4,337
Freight-tons loaded	93,300	110,200	110,300	114,600	119,300	94,300	75,700	66,000
-tons unloaded	32,600	36,200	35,100	95,300	99,900	115,600	128,300	129,900
<u>Air Traffic</u> ^{2/}								
Passengers-arriving (no.)	21,900	24,400	29,600	33,700	33,700	42,400	46,100	—
-departing (no.)	22,200	23,900	30,900	34,100	35,100	51,300	47,300	—
Freight-tons loaded	3,113	2,779	3,566	3,734	3,990	3,771	4,034	—
-tons unloaded	2,794	2,655	3,213	3,531	3,441	3,301	4,517	—

^{1/} Excludes COMILOG and local traffic.

^{2/} At Brazzaville and Pointe Noire.

Source: Bulletin Mensuel des Statistiques, Publications of ATEC, Annual Reports of the ports of Pointe Noire and Brazzaville, and the CFCO.

TABLE 6

FOREIGN TRADE (NON UDE)

	<u>Exports</u>		<u>Imports</u>		<u>Balance</u>
	<u>Thousand tons</u>	<u>Million CFAF</u>	<u>Thousand tons</u>	<u>Million CFAF</u>	<u>Million CFAF</u>
1951	53.4	1034.3	192.7	8800.0	- 7765.7
1952	60.0	941.0	190.7	9005.0	- 8064.0
1953	69.2	1168.5	159.8	6949.0	- 5780.5
1954	97.0	1417.6	145.3	7438.0	- 6020.4
1955	141.6	1887.8	155.2	7520.0	- 5632.2
1956	167.1	2056.0	176.8	8663.0	- 6607.0
1957	193.4	2418.8	187.5	10311.7	- 7892.9
1958	214.8	2948.1	190.4	12137.0	- 9188.9
1959	247.3	3529.0	192.9	13869.4	-10340.4
1960	344.1	4428.0	257.4	17316.3	-12888.3
1961	395.3	4869.0	294.9	19518.1	-14649.1
1962	470.1	5284.2 ^{1/}	268.6	16741.0	-11456.8
1963	447.1	6166.3 ^{1/}	233.8	15368.0	- 9201.7

^{1/} Excluding diamonds re-exported valued at CFAF 3148.8 million in 1962 and CFAF 4759.2 million in 1963.

Note: Foreign trade estimates are based on customs data. Therefore, exports include some goods of other members of the Equatorial Customs Union exported at Congolese ports, and imports, except for 1962 and 1963, include some goods destined for other members. Imports in 1962 and 1963 are estimates of imports consumed in Congo (Brazzaville). Exports to other UDE members are estimated at approximately 286,000 tons in 1962 and 405,000 tons in 1963 and imports at 2,200 tons and 2,500 tons, respectively. The value of exports equalled CFA 2 billion in 1962 and CFA 2.6 billion in 1963. Data on the value of imports are not available.

Source: Bulletin Mensuel des Statistiques.

TABLE 7

EXPORTS OF PRINCIPAL COMMODITIES^{1/}

	1958	% of Total	1959	1960	% of Total	1961	1962	1963	% of Total
	value in million CFA francs								
Logs	1434.3	49%	1933.8	2505.6	57%	2670.9	2829.5	3398.7	56%
Sawn timber	210.2	7%	237.1	220.0	5%	203.1	206.1	89.3	1%
Veneer and plywood	60.6	2%	55.4	90.6	2%	90.2	47.6	159.7	3%
Palm kernels and oil	319.0	11%	385.8	420.7	9%	328.1	413.3	489.0	8%
Groundnuts and oil	153.9	5%	119.7	232.5	5%	190.2	68.1	63.0	1%
Oil cake	14.9	-	28.4	29.8	-	48.8	37.1	47.9	-
Coffee	12.3	-	20.7	42.8	1%	95.4	149.4	91.6	1%
Cocoa	44.5	1%	64.0	75.0	2%	75.0	55.1	113.9	2%
Tobacco	44.6	1%	35.9	28.6	-	13.6	34.0	44.6	-
Crude petroleum	-	-	-	127.5	3%	352.3	448.5	355.0	5%
Lead	116.5	4%	136.5	-	-	-	-	-	-
Gold	50.7	2%	33.2	29.2	-	36.1	37.0	18.8	-
	volume in thousand metric tons								
Logs	172.1	80%	196.9	254.5	75%	254.7	286.0	310.0	69%
Sawn timber	13.1	6%	13.0	11.5	3%	10.4	9.6	5.3	1%
Veneer and plywood	3.7	2%	3.7	5.7	2%	6.8	1.7	5.1	1%
Palm kernels and oil	9.9	4%	8.9	10.0	3%	9.5	11.6	12.9	3%
Groundnuts and oil	3.9	2%	2.3	3.8	1%	2.7	0.9	0.9	-
Oil cake	1.2	1%	1.5	1.7	-	2.9	2.0	2.2	-
Coffee	-	-	-	0.3	-	0.7	1.1	0.6	-
Cocoa	0.3	-	0.4	0.5	-	0.8	0.6	0.9	-
Tobacco	0.5	-	0.4	0.3	-	0.2	0.3	0.6	-
Crude petroleum	-	-	-	33.6	8%	93.4	135.0	101.1	22%
Lead	5.7	3%	8.7	-	-	-	-	-	-

^{1/} To non-UDE countries.

TABLE 8

IMPORTS OF SELECTED COMMODITIES^{1/}

	1958	% of Total	1959	1960	% of Total	1961	1962	1963	% of Total
	value in million CFA francs								
Machinery and equipment	1985.8	16%	2331.4	2796.9	16%	3675.3	2288.2	2210.4	15%
Automobiles & other vehicles	810.5	7%	1180.8	1315.4	8%	1473.3	1022.7	1031.3	6%
Cement	170.2	1%	143.5	217.1	1%	240.9	292.9	227.5	1%
Petroleum products	557.7	5%	601.6	794.1	5%	796.5	851.2	873.0	5%
Iron and Steel bars	192.5	2%	199.7	590.8	3%	981.5	1056.8	897.4	6%
Paper and products	264.1	2%	308.0	389.0	2%	433.3	510.2	486.4	3%
Pharmaceutical and chemical products	202.9	2%	232.0	296.0	2%	346.9	452.5	420.5	3%
Cotton material	487.0	4%	382.2	562.1	3%	580.3	816.1	738.4	5%
Clothing and Accessories	237.2	2%	258.4	415.8	2%	394.5	589.3	434.5	3%
Beverages	700.2	6%	652.7	915.6	6%	775.2	1005.9	839.6	6%
Meat and fish	677.0	6%	617.0	626.6	4%	713.5	651.3	616.7	4%
Wheat flour	207.9	2%	237.5	222.8	1%	306.6	354.4	407.0	2%
Rice and cereals	89.2	-	90.0	74.8	-	90.2	116.5	144.2	-
Dairy products	-	-	-	227.1	1%	240.7	248.4	255.2	1%
Fruits and vegetables	144.3	2%	580.0	164.5	-	186.9	114.4	125.6	-
Sugar and salt	51.0	-	274.0	165.1	-	78.6	20.5	24.5	-
	volume in thousand metric tons								
Machinery and equipment	4.2	2%	4.5	6.1	3%	10.5	3.8	3.7	2%
Automobiles and other vehicles ^{2/}	1665	-	1854	2573	-	3870	1990	1750	-
Cement	-	-	-	48.0	19%	53.3	60.9	49.3	21%
Petroleum products	63.6	33%	64.0	81.9	31%	91.9	79.9	78.3	33%
Iron and Steel bars	11.9	6%	9.1	21.2	9%	34.5	22.5	14.4	6%
Paper and products	2.1	1%	2.3	2.7	1%	2.6	3.5	3.2	1%
Pharmaceutical and chemical products	0.3	-	0.6	2.7	1%	4.5	2.6	1.8	-
Cotton material	1.1	-	0.7	1.2	-	0.8	3.5	0.9	-
Clothing and Accessories	0.2	-	0.2	0.4	-	0.2	0.4	0.2	-
Beverages	208.2 ^{3/}	-	220.9 ^{3/}	20.6	8%	25.5	336.1 ^{3/}	277.3 ^{3/}	-
Meat and fish	6.7	4%	5.8	6.4	2%	7.2	5.1	5.9	3%
Wheat flour	7.1	4%	7.3	6.6	2%	8.7	10.7	11.3	5%
Rice and cereals	1.3	1%	1.3	0.8	-	1.0	1.6	2.5	2%
Dairy products	-	-	-	0.9	-	1.5	1.4	1.7	1%
Fruits and vegetables	2.5	2%	2.4	2.7	1%	3.0	1.0	1.2	-
Sugar and salt	3.8	2%	6.1	5.7	2%	2.6	2.5	4.2	3%

^{1/} From non-UDE countries.^{2/} Numbers.^{3/} 000 hl.

TABLE 9

COMMODITY TRADE BALANCE BY CURRENCY AREAS
in million CFA francs

	1956	1957	1958	1959	1960	1961	1962	1963
<u>Exports</u>								
Franc zone	1037.4	1131.2	1255.0	1193.0	1402.9	1530.9	1778.9 ^{1/}	1793.0 ^{1/}
(of which France)	937.1	1001.1	1091.9	1002.4	1241.8	1210.5	1721.4	1763.0
\$ zone	57.1	36.0	34.1	55.0	65.0	43.2	n.a.	n.a.
£ zone	86.8	187.3	291.4	318.0	238.9	270.4	n.a.	n.a.
Other	874.7	1064.3	1367.6	1963.0	2721.2	3024.5	n.a.	n.a.
Total	<u>2056.0</u>	<u>2418.8</u>	<u>2948.1</u>	<u>3529.0</u>	<u>4428.0</u>	<u>4869.0</u>	<u>5284.2^{2/}</u>	<u>6166.3^{2/}</u>
of which EEC members	1588.6	1866.1	2324.1	2625.6	3052.2	3104.1	1419.8 ^{2/}	1394.9
of which EEC associated members	97.3	87.3	248.5	152.9	233.5	195.3	n.a.	n.a.
<u>Imports</u>								
Franc zone	5500.2	7076.9	8363.0	9589.3	12246.4	13572.2	11495.2	9735.8
(of which France)	5059.9	6395.8	7565.7	8681.3	11429.4	12436.4	11289.0	9272.0
\$ zone	724.0	904.0	806.1	1562.0	1263.2	1467.9	n.a.	n.a.
£ zone	301.8	410.8	493.2	439.2	414.4	541.4	n.a.	n.a.
Other	<u>2137.0</u>	<u>1920.0</u>	<u>2474.7</u>	<u>2278.9</u>	<u>3392.3</u>	<u>3936.6</u>	<u>n.a.</u>	<u>n.a.</u>
Total	<u>8663.0</u>	<u>10311.7</u>	<u>12137.0</u>	<u>13869.4</u>	<u>17316.3</u>	<u>19518.1</u>	<u>16741.0</u>	<u>15368.0</u>
of which EEC members	6107.2	7184.8	8421.8	9638.4	12942.0	14669.8	13128.0	11410.0
of which EEC associated members	650.6	731.6	1002.5	1020.5	829.8	974.3	n.a.	n.a.
<u>Balance</u>								
Franc zone	-4462.8	-5945.7	-7108.0	-8396.3	-10843.5	-12041.3	-9716.3	-7942.8
(of which France)	-4122.8	-5394.7	-6473.8	-7678.9	-10187.6	-11225.9	-9567.6	-7509.0
\$ zone	-666.9	-868.0	-772.0	-1507.0	-1198.2	-1424.7	n.a.	n.a.
£ zone	-214.9	-223.5	-201.8	-121.2	-175.5	-271.0	n.a.	n.a.
Other	<u>-1262.3</u>	<u>-855.7</u>	<u>-1107.1</u>	<u>-315.9</u>	<u>-671.1</u>	<u>-912.1</u>	<u>n.a.</u>	<u>n.a.</u>
Total	<u>-6607.0</u>	<u>-7892.9</u>	<u>-9188.9</u>	<u>-10340.4</u>	<u>-12888.3</u>	<u>-14649.1</u>	<u>-11456.8</u>	<u>-9201.7</u>
of which EEC members	-4518.6	-5318.7	-6097.7	-7012.8	-9889.8	-11565.7	-11708.6	-20015.1
of which EEC associated members	-553.3	-644.3	-754.0	-857.6	-596.3	-779.0	n.a.	n.a.

^{1/} Excludes the value of exports to other members of the U.D.E. which amounted to CFA 2.0 billion in 1962 and CFA 2.6 billion in 1963.

^{2/} Excludes re-export of diamonds from Congo (Leopoldville) to Belgium-Luxembourg.

Source: Bulletin Mensuel de Statistiques.

TABLE 10

MONEY SUPPLY

in millions of CFA francs as of December 31

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
Net Currency Issued	2475	2353	3098	3518	3412	3400
Bank Deposits (commercial and public)	3035	3663	4223	4683	4402	4715
Other Private Deposits	172	300	206	246	281	-
Total	<u>5682</u>	<u>6316</u>	<u>7527</u>	<u>8447</u>	<u>8095</u>	<u>8115</u>

Source: Banque Centrale des Etats d'Afrique Equatoriale et du Cameroun; Bulletin Mensuel des Statistiques.

TABLE 11

DEPOSITS AND CREDITS TO THE ECONOMY

in millions of CFA francs as of December 31

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
<u>Deposits</u>						
Banks (commercial and public)	3035	3663	4223	4683	4402	4715
Demand deposits	<u>1203</u>	<u>1552</u>	<u>1811</u>	<u>2007</u>	-	-
Current accounts	1832	2111	2412	2676	-	-
Postal savings accounts	619	990	750	874	811	872
Private	172	300	206	246	281	-
Public	447	690	544	628	530	-
Other savings	130	151	431	551	584	664
Total	<u>3784</u>	<u>4804</u>	<u>5404</u>	<u>6108</u>	<u>5797</u>	<u>6251</u>
<u>Loans and Advances</u>						
Local banking resources	<u>6175</u>	<u>5939</u>	<u>7082</u>	<u>7946</u>	<u>7604</u>	<u>8534</u>
Short term	5442	5232	6465	7426	7157	8187
of which rediscounts	(1659)	(1646)	(1958)	(2878)	(2645)	(2962)
Medium term	733	707	617	520	447	347
of which rediscounts	(537)	(575)	(449)	(244)	(230)	(210)
Foreign banking resources	-	-	832	706	602	999
Total	<u>6175</u>	<u>5939</u>	<u>7914</u>	<u>8652</u>	<u>8206</u>	<u>9523</u>

Source: Banque Centrale des Etats d'Afrique Equatoriale et du Cameroun;
Bulletin Mensuel des Statistiques.

TABLE 12
LOANS OF THE CAISSE CENTRALE
in millions of CFA francs

	<u>Original Amount</u>	<u>Amounts Outstanding December 31, 1963</u>	
To Private Enterprises	247.0	136.2	
To Public or Semi-Public Enterprises	4276.9	3512.5	
Development bank	653.7	278.1	
Building society	635.1	434.2	
Electricity society	2958.1	2775.6	
Other enterprises	30.0	24.6	
To Collectivities and Public Institutions	631.3	366.5	
To the Republic of the Congo for consolidation of FIDES debt	2932.8	1948.1	1927.4
for Congolese part of debt to Federation		151.3	84.2
for direct loans		833.4	724.8
To Stabilization Funds	10.8	10.8	
Total	8098.8	6762.4	

Source: Caisse Centrale de Coopération Economique and
Ministère des Finances.

TABLE 13

LOANS OF THE DEVELOPMENT BANK OF THE CONGO

value in million CFA francs

	1962				1963				As of December 31, 1963 ^{1/}			
	Number	% of total number	Value	% of total value	Number	% of total number	Value	% of total value	Number	% of total number	Value	% of total value
Agriculture	8	0.4%	56.3	19.2%	14	0.4%	231.6	22.0%	233	1.2%	955.7	24.6%
Rural Improvements	1	-	1.2	0.4%	1	-	3.7	0.3%	112	0.4%	40.2	1.0%
Handicraft & Small Industry	-	-	-	-	15	0.4%	195.5	15.3%	192	0.8%	415.1	10.7%
Housing	647	32.5%	92.7	31.5%	1564	44.4%	254.3	19.9%	7831	31.3%	1455.3	37.4%
Consumer Credit ^{2/}	1332	66.9%	17.0	5.8%	1913	54.5%	60.1	4.7%	16243	65.6%	360.7	9.3%
Public Sector	4	0.2%	126.7	43.1%	10	0.3%	432.8	37.3%	16	-	632.4	16.3%
Commerce	-	-	-	-	-	-	-	-	34	0.2%	26.4	0.7%
Special Loans	-	-	-	-	-	-	-	-	1	-	.2	-
Total	1992	100.0%	293.9	100.0%	3522	100.0%	1273.0	100.0%	24763	100.0%	3386.0	100.0%
of which												
Short term	1504	75.5%	111.3	33.0%	2360	67.0%	737.5	57.7%	13090	73.1%	1646.6	42.4%
Medium term	472	23.7%	56.6	19.3%	1135	32.3%	241.4	13.9%	5711	23.0%	1265.6	32.6%
Long term	16	0.8%	125.5	42.7%	27	0.7%	299.1	23.4%	967	3.9%	973.3	25.0%

^{1/} Includes outstanding loans of the Crédit de l'A.E.F. (1949-June 30, 1959), the Société Congolaise de Crédit (July 1, 1959-February 25, 1961), and the Banque Nationale du Développement (February 25, 1961-December 31, 1961).

^{2/} For small equipment and automobiles.

Source: Banque Nationale du Développement du Congo.

TABLE 14
CURRENT REVENUE AND EXPENDITURE OF THE GOVERNMENT
in million CFA francs

	1955	1956	1957	1958	1959	1960	In % of total	1961	1962	1963 ^{1/}	1964 ^{1/}	In % of total
<u>REVENUES</u>												
Fiscal Receipts	855.4	881.7	1151.5	1800.0	2954.6	4636.6	92%	5568.0	6887.7	8033.0	8260.3	94%
Direct taxes	643.8	605.1	658.8	772.4	915.5	947.5	19%	1098.3	1462.2	1783.7	1875.0	21%
Indirect taxes	127.8	181.9	365.9	702.8	1650.6	3247.3	64%	4000.8	4804.1	5454.9	5741.8	66%
Import duties	-	-	-	-	838.9	2041.0	40%	2433.7	2453.2	2429.0	2700.0	31%
Export duties	-	-	-	96.6	140.2	164.5	3%	82.7	84.9	67.6	80.0	1%
Other customs duties ^{2/}	-	-	-	95.5	76.4	140.0	3%	409.3	898.8	1463.3	1397.0	16%
Other indirect taxes	127.8	181.9	365.9	510.7	595.1	901.8	18%	1075.1	1367.2	1495.0	1564.8	18%
Fees and dues	-	-	-	168.8	197.5	206.6	4%	240.5	266.1	318.7	270.0	3%
Other taxes	83.8	94.7	126.8	156.0	191.0	235.2	5%	228.4	355.3	475.7	373.5	4%
Property Income	19.5	38.8	56.5	184.2	249.9	261.8	5%	372.0	451.6	591.7	569.0	6%
Subsidies	568.5	589.2	725.9	705.1	487.4	48.3	1%	459.9	682.9	129.5	-	-
Drawings on Reserve Fund	60.3	17.4	13.1	-	-	85.0	2%	6.0	-	-	-	-
Total Current Revenues	1503.7	1527.1	1947.0	2689.3	3691.9	5031.7	100%	6405.9	8022.2	8754.2	8829.3	100%
<u>EXPENDITURES</u>												
Public Debt	-	-	4.9	20.3	86.5	205.1	4%	106.1	78.3	140.4	100.2	1%
Political Administration	30.1	38.2	97.9	137.6	247.3	440.5	11%	625.9	607.4	462.5	180.1	2%
Security and Armed Forces	65.3	72.2	74.2	60.0	77.5	91.5	2%	190.9	797.1	956.9	1294.3	16%
General Administration	295.4	340.0	247.8	291.5	443.1	686.1	13%	1014.2	1184.8	1307.9	1295.2	16%
Economic Services	74.3	84.0	91.1	155.4	158.7	161.6	3%	374.7	426.7	400.2	442.1	6%
Social Services	526.3	578.0	680.4	1025.1	1235.3	1562.1	31%	1877.1	2421.1	2458.0	2554.9	32%
Common Expenditure	197.5	90.8	201.3	301.4	407.3	603.2	12%	818.8	754.8	847.1	548.1	7%
Public Works	139.2	180.2	235.5	407.3	453.6	569.0	12%	728.7	813.8	993.0	535.9	7%
Contributions and Subsidies	151.6	202.4	278.9	288.6	434.6	625.5	12%	704.8	952.6	865.7	1056.8	13%
Other Current Expenditures	-	-	27.2	-	35.8	-	-	-	-	-	-	-
Total Current Expenditures	1479.7	1585.8	1939.2	2687.2	3579.7	4944.6	100%	6441.2	8036.6	8431.7	8007.6	100%
of which wages and salaries	791.6	894.6	1019.6	1468.4	1952.6	2504.1	50%	3045.5	4140.0	4496.2	4730.0	60%
of which supplies and equipment	219.4	252.1	292.6	392.9	454.8	768.0	16%	1210.0	1260.7	1508.1	1367.7	17%
Allocation for Investment Expenditures	1.5	5.4	7.8	1.0	56.5	84.4	-	363.4	277.3	361.4	1210.0	-

^{1/} Estimates.

^{2/} Includes receipts from Solidarity Fund.

Source: Budgets du Territoire du Moyen Congo and de la Republique du Congo.

TABLE 15

EDUCATION

number of students in schools

	<u>1951</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
<u>Primary</u> (in 000)										
Boys	34.4	45.5	45.6	50.6	57.1	61.6	66.9	76.1	86.0	90.6
Girls	6.2	11.6	14.0	17.1	21.9	27.9	32.4	39.8	49.2	57.3
Total	<u>40.6</u>	<u>57.1</u>	<u>59.6</u>	<u>67.7</u>	<u>79.0</u>	<u>89.5</u>	<u>99.3</u>	<u>115.9</u>	<u>135.2</u>	<u>147.9</u>
<u>Secondary</u> (in 000)										
Boys	.9	1.1	1.2	1.2	1.5	1.8	2.4	3.4	4.6	6.3
Girls	.1	.2	.3	.3	.5	.6	1.0	1.0	1.3	1.7
Total	<u>1.0</u>	<u>1.3</u>	<u>1.5</u>	<u>1.5</u>	<u>2.0</u>	<u>2.4</u>	<u>3.4</u>	<u>4.4</u>	<u>5.9</u>	<u>8.0</u>
<u>Technical</u> ^{1/} (in 000)										
Boys	.7	.8	.7	.8	.8	.9	1.1	1.3	1.2	1.2
Girls	1.0	.7	.5	.6	.5	.3	.2	.4	.5	.8
Total	<u>1.7</u>	<u>1.5</u>	<u>1.2</u>	<u>1.4</u>	<u>1.3</u>	<u>1.2</u>	<u>1.3</u>	<u>1.7</u>	<u>1.7</u>	<u>2.0</u>

^{1/} Including teacher training.

Source: Ministère de l'Education Nationale.

TABLE 16
BUDGETARY RESULTS AND TREASURY POSITION

in million CFA francs

	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Current Revenue from Internal Sources	874.9	920.5	1208.0	1984.2	3204.5	4898.4	5940.0	7339.3	8624.7	8829.3
Current Expenditure	<u>1479.7</u>	<u>1585.8</u>	<u>1939.2</u>	<u>2687.2</u>	<u>3579.7</u>	<u>4944.6</u>	<u>6441.2</u>	<u>8036.6</u>	<u>8431.7</u>	<u>8007.6</u>
Current Surplus (+) or Deficit (-)	-604.8	-665.3	-731.2	-703.0	-375.2	-46.2	-501.2	-697.3	+193.0	+821.7
Allocation for Investment Expenditures	<u>1.5</u>	<u>5.4</u>	<u>7.8</u>	<u>1.0</u>	<u>56.5</u>	<u>84.4</u>	<u>363.4</u>	<u>277.3</u>	<u>361.4</u>	<u>1210.0</u>
Total Surplus (+) or Deficit (-)	-606.3	-670.7	-739.0	-704.0	-431.7	-130.6	-864.6	-974.6	-168.4	-388.3
Receipts from External Sources ^{1/}										
Federal Contributions	568.5	589.2	725.9	587.1	363.2	-	-	-	-	-
French Subsidies										
to Current Budget	-	-	-	118.0	124.2	48.3	459.9	682.9	129.5	-
for Investment	11.6	5.4	8.6	26.9	33.5	-	-	-	-	-
Loans and Advances from the Caisse Centrale for FIDES/FAC Contributions and Other										
Investment	-	100.0	25.6	82.1	28.3	60.2	146.4	-	-	-
Drawings on Reserve Fund	<u>60.3</u>	<u>17.4</u>	<u>13.1</u>	<u>-</u>	<u>-</u>	<u>85.0</u>	<u>6.0</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Surplus (+) or Deficit (-)	+34.1	+41.3	+34.2	+110.1	+117.5	+62.9	-252.3	-291.7	- 38.9	-388.3

^{1/}Excludes receipts from Solidarity Fund.

Source: Budgets du Territoire du Moyen Congo et de la République du Congo.

TABLE 17

FOREIGN AID COMMITMENTS
in million CFA francs

	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
<u>France</u>					
Studies	16.0	152.4	62.6	87.9	18.5
Production	104.0	246.2	219.4	148.0	560.0
Infrastructure	512.0	597.9	55.0	46.5	458.5
Social Services	168.0	175.8	212.1	80.0	192.0
Total	<u>800.0</u>	<u>1174.3</u>	<u>549.1</u>	<u>362.4</u>	<u>1229.0</u>
<u>European Common Market</u>					
Studies	-	-	-	24.0	7.2
Economic Projects (Infra- structure)	-	1455.8	815.6	510.3	137.1
Social Services	-	112.9	805.2	-	61.9
Total	<u>-</u>	<u>1568.7</u>	<u>1620.8</u>	<u>534.3</u>	<u>206.2</u>
<u>Other</u>					
Studies					150.0
Social Services and Miscellaneous	-	-	-	375.0	340.0
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>375.0</u>	<u>490.0</u>

Source: Fonds d'Aide et de Coopération; Fonds Européen de Développement; U.S. Agency for International Development; United Nations and Specialized Agencies.

TABLE 18

INVESTMENT AND SOURCES OF FINANCE
in billion CFA francs

	<u>1959-1963^{1/}</u> (Estimate)	<u>1964-1968^{2/}</u> (Plan)
Investment in the		
Public Sector	17.0	27.0
Infrastructure	10.0	18.3
Production	2.5	4.2
Health and education	2.0	2.8
Rural development	0.5	1.7
Statistical studies	2.0	-
Private Sector	13.7	23.3
Mining	12.2	12.0
Wood processing industries	.3	1.5
Agricultural and food processing industries	.9	4.0
Other industries and services	.3	5.8
Total	<u>30.7</u>	<u>50.3</u>
Financed by		
Domestic public and semi-public resources	6.23 ^{3/}	9.73 ^{3/}
Foreign public grants	9.0	12.5
Foreign public loans	8.3	9.3
Foreign private loans and investment	7.2	18.8

^{1/} 1959-63 estimates based on: budget allocations to investment; annual reports of public enterprises; grants of FAC, FED, U.S. AID, UN; loans of the Caisse Centrale and the IBRD; actual private investments made.

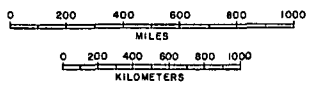
^{2/} 1964-68 estimates as projected in the Projet du Premier Plan Quinquennal de Développement Economique et Social.

^{3/} Roughly half of these amounts consists of actual or proposed borrowings by semi-autonomous local agencies from the Caisse Centrale.



AFRICA





- Rivers
- Railroads
- " (proposed or under construction)
- Capital cities

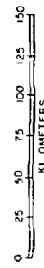


Boundaries are not necessarily authoritative

REPUBLIC OF THE CONGO
(Brazzaville)

RESOURCES

- Natural regions
-  Cocoon
-  Coffee
-  Forests
-  Fruits
-  Greenhouses
-  Oil palm
-  Paddy
-  Tobacco



- NATURAL REGIONS
1. Pointe Noire Basin
 2. Montaine Range
 3. Mbali Valley
 4. Nani Forests
 5. Plateau of the Cataracts
 6. Békédé Plateaus
 7. Central Basin
 8. Djiéba Sangha

